

**IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-  
Montenegro 2014-2020**

**following the**

**COMMISSION IMPLEMENTING REGULATION (EU) No. 447/ 2014 of 2 May 2014  
on the specific rules for implementing Regulation (EU) 231/2014 of 11.03.2014 of the  
European Parliament and the Council establishing an Instrument for Pre-accession  
assistance (IPA II)**

**N.B. THIS IS THE 3<sup>rd</sup> DRAFT OF THE COOPERATION PROGRAMME (CP)**

**Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro  
2014-2020**

**under the IPA instrument**

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MS amending decision date	<0.11 type= 'D' input= 'M'>>
MS amending decision entry into force date	<0.12 type= 'D' input= 'M'>>
NUTS level III regions (or equivalent regions in the non-MS) covered by the cross-border cooperation programme	<0.13 type= 'S' input= 'S'>> See Annex --- for a map of the programme area.

<sup>1</sup>

Legend:

type: N=Number, D=Date, S=String, C=Checkbox, P=Percentage, B=Boolean  
decision: N=Not part of the Commission decision approving the cooperation programme  
input: M=Manual, S=Selection, G=Generated by system

"maxlength"= Maximum number of characters including spaces.

## **SECTION 1 STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND THE RELEVANT PARTNERSHIP AGREEMENT AND INDICATIVE STRATEGY PAPER(S)**

[Reference: Article 32, Commission Implementing Regulation (EU) No...../...of XXXX on the specific rules for implementing Regulation (EU) XXXX/2014 of dd.mm.2013 of the European Parliament and of the Council establishing an Instrument for Pre-Accession assistance (IPA II)]

### **1.1 Strategy for the cooperation programme's contribution to the selected thematic priorities and the relevant Partnership Agreement and Indicative Strategy Papers**

#### **2.1.1. Description of the cooperation programme's strategy for contributing to the selected thematic priorities and the relevant Partnership Agreement and Indicative Strategy Papers**

##### **Geographical coverage of the programme area**

IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 covers the territory of borders areas between Croatia and Bosnia and Herzegovina, Croatia and Montenegro and between Montenegro and Bosnia and Herzegovina. In other words, programme area covers NUTS III or equivalent regions which includes 12 counties on the Croatian side, 110 municipalities on the side of Bosnia and Herzegovina and 10 municipalities on the side of Montenegrin border. This amounts to total of 87,453.95 km<sup>2</sup> of programme area with 5,587,836.00 inhabitants.

The natural regions of the programme area between three countries are divided in three main zones from the north to the south of the programme area: lowland, mountainous and maritime area. Northern part is characterized with continental climate whereas the southern part enjoys a more Mediterranean climate.

Map ---: **Map of the programme area (Annex)**

##### **1.1.1.2 Situation Analysis of the programme area**

To carry out Situation Analysis of the programme area was a challenge due to the fact that the programme area is large and heterogeneous in geographical terms and characterised by development imbalance due to various factors such as location, geography, historical events including recent war damages, road and/or water interconnections, natural resources and different traditions. In addition, national and regional/local units differ significantly in terms of the statistic indicators and methodology of their calculation representing a significant challenge for deriving the data on the level of the programme area.(e.g., statistic indicators according to demographic structure related to educational qualifications, employment/unemployment, unemployment rates on local level, incomes or production by the sectors, etc.)

However, analysis of the situation of the programme area showed a significant number of common assets and challenges which are classified and analysed according to eight main

priorities (classified on the basis of the thematic priorities given in Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)).

These thematic priorities are:

- Employment, labour mobility, social inclusion and health
- Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management
- Sustainable transport and public infrastructures
- Tourism and cultural and natural heritage
- Youth and education
- Local and regional governance, planning and administrative capacity building
- Competitiveness, business and SME development, trade and investment
- Research, technological development, innovation and ICT.

#### *Employment, labour mobility, social inclusion and health*

In regards to the economic performance there is a significant difference between the regions/municipalities within the programme area of each country. Although, in general, despite recovery from financial crisis worldwide, programme countries are still facing problems with revitalizing production and trade sectors but also economy in general.

Programme area labour market is reflected in low employment and high rates of unemployment especially long-term and youth unemployment. The most likely reasons for long-term unemployment are inadequate education background and skills for the labour market needs and lack of professional mobility and motivation to participate in training and life-long learning programmes.

Healthcare system in general in the programme area is characterized by inefficient network of healthcare institutions, inappropriate distribution and mobilisation of capacities at different levels of care, and finally in reduced access to services for the patients and unsatisfactory quality of healthcare provided. Modernization of the system with aim to make the healthcare more efficient and responsive to contemporary and future health care needs can be achieved by focusing on the implementation of efficient investments into health care infrastructure and development of human resources.

As regards to social welfare system in the programme area, in general, quality, scope and delivery mechanism of social services provided to users in vulnerable positions are not well adapted to their diversified needs and the changing environment, such as ageing of population, increased number of users and different user profiles. The social care system is unequally developed at different levels where the services are provided and across the regions, which leads to significant differences in access to services and reduces the effectiveness of service provision. Responses to these challenges should be sought through the modernization of the system, by aiming to increase its transparency, and by improving the quality and availability of social services through community based support for the active inclusion of vulnerable groups.

#### *Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management*

The natural environment of the programme area is considered to be one of the key elements of economic and social capital driving of development but the degree of environmental protection in all programme countries is still lower than in other developed EU countries.

Due to the chemical, petrochemical, machinery manufacture, metallurgical, food and oil industries and increased pollution levels in certain parts, a certain number of environmental hot spots has been detected in the programme area.

Key feature of the environment in the northern part of the programme area is that for a large part of

its length the border between Croatia and Bosnia and Herzegovina is constituted by the river Sava. The river is a defining and common feature and any environmental issues linked to the Sava clearly require joint action.

Key feature of the southern part of the programme area is Adriatic Sea with its highly sensitive marine ecosystem. Coastal areas are also characterized by a high degree of biodiversity, sensitive habitats and ecosystems. Both, Adriatic Sea and coastal areas play significant role in the development of economy, cultural and social life of the programme area. In this sense, Adriatic Sea should be given special attention in terms of its use and conservation. Significant challenges are related to the protection of biodiversity, nature and landscape of both the sea and the coastal zone.

Lack of equipment for the purification of urban and industrial wastewater and solid waste represent serious environmental risks with irreversible consequences related to significant economic and social consequences.

Due to rich rainfall and relatively well-preserved water resources, the programme area has good quality and abundant underground and surface waters. Richness and quality of water resources represent one of the most important comparative advantages of the whole area. In general, responses to the environmental challenges should be sought through the protection of especially valuable habitats and through an integrated management of the whole area.

As regards to the energy sector, indicators in the programme area are showing lack of available energy resources and production capacities, but there are favourable conditions for renewable energy production from geothermal energy, hydro energy, solar and wind.

Furthermore, the programme area is in growing trend of natural disasters in recent years due to its climatic and seismic conditions. Most serious damages are related to floods, droughts and fires. North-east of Croatian and North of Bosnian and Herzegovinian programme area as the south part of these two are at risk of floods, while the functionality of the flood protection system is still to be reach the highest level of quality. Coastal part of programme area is under influence of climate change as much as other parts, however due to the high temperatures and long-lasting severe droughts, this area is more than ever susceptible to open air. Fire-fighting systems in these parts of programme area are not on the satisfactory level as well and need to be improved.

#### *Sustainable transport and public infrastructures*

The programme area is at the junction of the main rail and road traffic routes connecting western and central Europe with south-east Europe. It is crossed by major Pan-European corridors and is part of the TEN-T networks.

As regards the transport infrastructure in the programme area of all three countries, major investment into transport networks is necessary to ensure economic development as well as to enhance connectivity of urban and rural transport networks. Railway infrastructure is well developed but in serious need of restructuring and modernization, inland waterways are insufficiently interconnected, port infrastructure partially need to be renovated and transformed into multimodal logistics centres. Intermodal transport combining air, rail, road and water networks represent a major opportunity for economic development.

Besides compliance-based obligations, improvements in the communal sector are necessary since the current institutional system for waste managements is fragmented and inefficient. Consolidation is needed in order to secure adequate availability of services across whole programme area, therefore providing basic prerequisites for a more balanced regional development and secure efficient management of resources.

#### *Tourism and cultural and natural heritage*

Due to extremely rich natural and cultural heritage tourism is becoming increasingly important throughout whole programme area. Tourism is one of the main economic activity in the southern

part of programme area but recently the role of continental tourism has become important for other parts of the area as well. To provide for a more dynamic development of tourism in continental areas, it is necessary to put in place an adequate tourism infrastructure.

National parks, and the other protected areas that have great attractiveness, are a huge potential for further development of joint regional tourist offer. However, the significant obstacles to development lies in the fact that the areas which have a special natural value are not yet organized or equipped to accept and offer a quality stay to a large number of guests. However, it is imperative to stress the preservation of nature, as well as the control of traffic through these protected areas.

In general, the programme area has a huge potential for the diversification of tourist offer and development of interventions of combining agricultural and food production with tourism sector services especially those targeting geographical origin of the products.

Cultural tourism can be developed in some urban centres given the rich cultural heritage and the great variety of cultural events organized throughout the year. Richness in cultural heritage are numerous monuments many of which appear on the UNESCO World Heritage List. However, the lack of resources for preserving this heritage for future generation remains a source of concern. On the other hand, this heritage also represents an important asset for the region through the development of tourism cultural and recreational activities.

#### *Youth and education*

Overall, the population in the programme area has relatively high rates of secondary education, low rates of higher education and the workforce has relatively low skill levels. Therefore, there is a significant mismatch between the education programmes and the requirements of the labour market and very low levels of provision of adult education and training. Educational system, especially in vocational education and training should keep up with the labour market demands and priorities in each sector, especially the ones which are of primary importance for further development of economy. Further on, increased investment in human capital is necessary throughout the programmes of life-long learning. This requires well-trained, flexible and mobile personnel in all sectors and from all qualification levels. In order to adapt to rapidly changing work environments, personnel will be expected not only to build their professional knowledge but also skills and competencies.

Accordingly, the problems of youth unemployment is significantly pronounced in whole programme area and it is connected with the lack of initial work experience, lack of skills for the labour market needs and lack of professional mobility. Additionally, concerning the long-term unemployed, those most at risk are young people without any working experience.

Establishing a sustainable and effective vocational education and training system joined with appropriate lifelong learning programmes is essential to maintain workforce whose skills can contribute to further development and progress of economy. In addition, consideration should be given to improving the knowledge of students and young persons so that the new generation are prepared to enter the world of entrepreneurship, knowing the basic principles underlying modern society.

#### *Local and regional governance, planning and administrative capacity building*

Three programme countries have different local self-government systems but the general issues and challenges related to service delivery and planning and administrative capacity building are similar. Some of the main areas identified for improvement are: recruitment process, competency system for the given jobs, methodology for validation of competence of civil servants, the system of assessment and monitoring of civil servants based on monitoring the efficiency of their work and connection of that evaluation to the system of career development and progress.

Also, the lack of a professional human resource management system for civil servants in local and regional governments is an ongoing challenge in all three countries.

The fight against corruption represents an integral part of the process aimed at making the civil service democratised and modernised and at protecting citizens in exercising their rights while using public services.

To strengthen integrity, accountability and transparency in the work of civil servants at local/regional levels, training programmes should be delivered, including those to make civil servants familiar with basic attitude of ethics, integrity and morals, the notion of corruption and the meaning of its suppression, the rights of persons who report their suspicion of corruption and the prevention of conflicts of interest in the performance of public duties.

#### *Competitiveness, business and SME development, trade and investment*

The development of SMEs in all three countries and therefore in whole programme area contributes to the increase in the gross domestic product, creation of new jobs and reduction of the unemployment rate, substitution of imports and higher export competitiveness of the domestic economy. SMEs are potential for innovation but also play a significant role in regional development.

There are more than 150.000 SMEs in the programme area. This is the highest percentage of total enterprises existing in all three countries. Additionally, out of total labour force, the highest percentage of employees is in SMEs. SME do employ significant number of population however there is still a lot of potential to be used in the future and provide SMEs with the support needed in order to create more jobs.

As regards to support institutions to SMEs in the programme area, improvement of their professional structure and services to help SMEs build up performance and strengthen their competitiveness is still needed.

In general, SMEs in the programme area should be supported to strengthen their ability to compete in domestic and international markets, and have a more significant impact on the economy, particularly in generating the export revenues. Furthermore, by expanding their product ranges and quality, SMEs have better chance to increase turnover, internationalise their products and create more jobs. Furthermore, the focus should be placed on strengthening the preconditions for greater number of innovative products, by increasing investment in research and development and bringing together the academic community and the business sector to be able to cooperate and increase the competitiveness of the economy of the programme area.

#### *Research, technological development, innovation and ICT*

The whole programme area has relatively low level of R&D spending and is in contrast to the European average. While R&D spending data are not available per a county, it can be concluded on the basis of the number of research institutions that R&D potential is concentrated around a few university centres in programme area.

Programme area has a low share of labour force dedicated to R&D activities which are key for driving productivity improvements across the economy. It is clear that the whole programme area needs to increase the scale and quality of the R&D workforce, particularly in the business sector. Companies must have access to research skills that will enable them to move up the value chain and increase their competitiveness. Public sector research organisations, including universities, must have a sufficient research skills base to engage in world-class research and support their diverse roles in society, including productive contribution to the economy.

The private sector is technologically weak, resulting mainly from the low volume and low investments into R&D of the private businesses. Collaborations between the private and public R&D actors are few and insufficient. These pose major obstacles to better innovation performance and competitiveness. Support to joint industry-research projects should therefore be considered a priority where there are benefits for both enterprises and the public sector researchers.

ICT development may be used also as a driver to achieve more inclusive growth. The potential of



ICT should be used particularly in the rural and remote areas of the programme area (e.g. inhabited islands) to provide better education, healthcare, public and social services and facilitate business growth. This could also provide a good opportunity for the growth of the ICT industry, creating demand for content development and employment.

**1.1.1.3 Strengths, weaknesses, opportunities and threats of the programme area**

The following SWOT analysis presents internal strengths and weaknesses as well as external opportunities and threats of the Croatia-Bosnia and Herzegovina-Montenegro programme area. It combines the situational analysis of the programme area with an analysis of strategic documents on national and sectorial level (e.g. programming documents and policy papers). A more detailed SWOT table per thematic priorities can be found in Annex.

*Strengths*

- High number of local and regional vocational and high schools in the programme area.
- Strong university centers in Split, Zadar, Dubrovnik, Banja Luka, Tuzla, Mostar and Podgorica.
- Ethnic richness in the programme area.
- Population increase in the last 20 years in Montenegrin programme area.
- Existing infrastructure in terms of hospitals and territorial distribution of hospitals, ambulances and companies and organizations responsible for providing social services.
- Diverse environment, landscape richness and richness of natural resources in general.
- Water richness in the programme area (rivers, lakes and sea).
- Biodiversity in the programme area with many species and habitats where some world endangered species and habitats are very well preserved.
- Protected areas preserved and well managed.
- Existing wind farms in Croatian programme area.
- A large part of the programme area is covered by forests.
- Montenegrin significant potential in generating energy from renewable energy resources (up to 33,4% of total primary energy generation).
- Programme area is at the junction of major European transport corridors.
- High number of regional airports and (sea & inland) ports.
- High % of the population is covered by an organized system of collection and disposal of municipal waste.
- Number of tourist attractions in the programme area.
- Historical links and long tradition of cooperation and joint cultural and social space of programme area.
- Favourable geo-position and long lasting tradition of tourism in the programme area.
- Continually growing number of tourists in the programme area.
- Rich cultural heritage and natural resources existing.
- Long coastal area in the southern part of the programme area.
- High number of UNESCO protected sites.
- High number of nature protected sites.
- Existing tourism potential for wide range of tourism niches.
- Coastal and marine tourism is well developed.
- Programme area natural environment is ecologically clean.
- Life-long learning programmes available in the programme area.
- Programme area has strong University centers.
- Increase in number of highly educated persons completing their studies each year.
- Relatively high rates of secondary education in the programme area.
- Existing cooperation established through CBC programmes 2007 – 2013.



- Best practice models available in the programme area.
- SMEs in tourism sector well developed in the coastal area.
- Existing infrastructure (business zones, centres for technological development, business incubators) in the programme area.
- Existing cooperatives in agriculture sector.
- SME sector employs the highest number of persons out of total labour force.
- SME sector has significant role in export in the programme area.
- Existing infrastructure (business zones, centres for technological development, business incubators) in the programme area.
- University centres in the programme area.
- Set of competitiveness clusters based on triple helix principle already established in food and processing industry, wood industry, pharmaceutical and health industry, shipbuilding and energy.

#### *Weaknesses*

- Population decrease in the last 20 years in Croatian and Bosnian and Herzegovinian programme area.
- High rates of long-term unemployment and youth unemployment in the whole programme area.
- Educational programmes not in line with market needs.
- Low awareness on importance of life-long learning programmes.
- Programme area is not fully aligned with European standards in waste-water and waste treatment with somewhat better situation in Croatia as a Member State.
- Management of existing environmental “hot-spots” in need for improvement in all 3 countries.
- Existing mine-suspected areas in the programme area.
- Insufficient investment in solid waste management.
- The roads are at some parts of the programme area in a poor condition, roads are primarily used for internal connections and almost all have bad transport-technical elements.
- Railway transport system and infrastructure in whole programme area is mainly in a poor condition.
- Underused capacities of ports, waterways and airports.
- Lack of investments in transport infrastructure in the areas of railways and inland waterways infrastructure.
- Under-utilized potential for tourism in some parts of the programme area (e.g. old towns and historically important sites in Bosnia and Herzegovina, Adriatic hinterland, etc.) as well as continental tourism in general in northern and eastern Croatia and continental tourism in Montenegro.
- Insufficient number of globally branded destination.
- Short touristic summer season.
- Lack of financing for tourism in some parts of the programme area.
- High pressure on public infrastructure in tourist areas during the summer season.
- Under-utilised capacity of public institutions managing protected areas.
- Lack of standardisation in tourism service sector.
- Tourist infrastructure in need for improvement (lack of different types of accomodation and services, insufficient road and railway connections to some areas, lack of tourist info points and other related facilities).
- Insufficient capacity and resources for protection and preservation of natural resources.
- The lack of resources for preserving cultural heritage.

- Vocational education is not in line with the labour market needs.
- Lack of initiative among individuals for further education and life-long learning.
- Low rates of persons completing higher education.
- The seasonal jobs do not provide financial stability.
- The delivery of public services is not in full compliance with the needs of the users in the programme area.
- Lack of joint strategic planning for development in the programme area.
- Difficult coordination between local and regional stakeholders due to the fragmentation of the programme area.
- Lack of dissemination of good practice examples in inter-municipality and inter-county/districts relations.
- Lack of a professional human resource management system for civil servants in local and regional governments.
- Lack of local products branding.
- Lack of joint breakthrough in the regional and international markets.
- Programme area is significantly lagging behind EU in terms of economic performance.
- Lack of R&D and innovation in SMEs in the programme area.
- GDP lagging behind EU average.
- Entrepreneurial skills and spirit are in general low.
- Lack of foreign direct investments in the programme area.
- Lack of capacity of entrepreneurs.
- Business support institutions do not respond completely to needs of entrepreneurs.
- Spending of GDP on R&D in all three countries is significantly below EU average.
- Most of the R&D spending comes from public funding whilst there is lack of R&D investment in private sector.
- The three countries are lacking specialization strategies for development of smart industries.
- Collaborations between the private and public sector and R&D actors are few and insufficient.
- The private sector is technologically weak, resulting mainly from the low volume and low investments into R&D of the private businesses.
- The three countries are lacking commercialization of R&D innovative products.

#### *Opportunities*

- University centers and primary/secondary educational institutions in the programme area can play a stronger role in providing quality labour force.
- Developed life-long learning programmes at the public opened colleges represents opportunity in providing quality labour force.
- Developed tourism sector in the programme area represents employment opportunity (existing or new niches of tourism in order to extend tourism season through synergy with different sectors, e.g. agriculture, health, etc.).
- Potential for reinforcement of e.g. agricultural and IT sector in order to create employment and to promote entrepreneurial opportunities.
- Joint incentives of strengthening / supporting employability of disadvantaged groups and other vulnerable groups by promoting their participation in trainings and life-long learning programmes.
- Joint initiatives for education of vulnerable groups (youth, women, elderly, minorities, disabled, etc.) through providing them with training in IT, foreign languages, help in reintegrating to labour market, etc.

- Joint incentives of supporting to young entrepreneurs, including self-employment.
- Joint incentives for enhancing accessibility to social services.
- Need of modernization of public health institutions in order to improve their accessibility and effectiveness.
- The border region has a potential for increasing production of renewable energy – especially from agricultural waste and forest residues (biomass), geothermal, solar and wind energy (Mediterranean, Dinaric and Pannonia basin areas).
- Programme area has a potential and need for joint management and prevention of natural disasters due to shared high risk in areas of flood, droughts, natural disasters and fire.
- Programme area has a potential and need for joint management and initiatives in the areas of forestry and water management.
- Energy efficiency awareness rising among public and relevant stakeholders in the programme area.
- Awareness among public and relevant stakeholders on environmental protection and the need for organized waste management.
- Sustainable agricultural and forestry production in accordance with the principles of sustainable soil management.
- River Sava and inland waters in general have potential to be used in combination with railway transport as an alternative to the currently dominant road transport network.
- Great potential in developing multimodal transport centers with appropriate level of investment in infrastructure.
- Regional airports are potential for development -especially for low-cost airlines and cargo transportation (agri-food exports).
- Raising awareness on road safety.
- Need for improvement and modernisation of road and railway network.
- Construction of Adriatic – Ionian corridor which would open road communication between south-eastern Europe and middle Europe and to connect south-west and south-eastern Europe.
- Creation of new touristic attractions.
- Creation of joint regional touristic offer.
- Huge potential for further improvement of touristic offer.
- Recognized need for raising awareness and skills in (further) development of investments/interventions of combining agricultural and food production with tourism sector services especially those targeting geographical origin of the products.
- Increase in offer and demand for agro and eco-tourism.
- Programme area has a huge potential for the diversification of tourist offer and further development of different tourism niches such as cultural tourism, cycle-tourism, memorial tourism, active tourism, city breaks, rural tourism, eco-tourism, gastronomy tourism, religious tourism, hunting, bird watching, adventure, wine, winter tourism, etc.
- There is a potential for development of continental tourism (wine tourism, agro tourism, rural, etc.).
- The wide range of buildings and sites of historical, archaeological and artistic interest in the programme area offers opportunities for cultural exchanges and joint activities.
- Existing coastal & marine, continental and rural tourism offer an opportunity for connection in order to strengthen local and regional economy.
- Existing university centers in the programme area can have stronger role in providing quality labour force.
- Potential of vocational training as an answer to the gap between labour market needs and

existing offer.

- Potential of life-long learning programmes for building human resources in the tourism sector, innovation, R&D.
- Increase need for entrepreneurial skills among young people as a potential for self-employment.
- Opportunity for unemployed youth to work in seasonal jobs, e.g. tourism.
- Joint incentives of supporting employment of youth as one of the disadvantaged groups in labour market due to lack of experience.
- Need among youth for different exchange programmes and networking.
- Recognized need for increase of capacities among civil servants in the programme area in building competencies for delivering qualitative and effective public services.
- Recognized need for improvement within the human resources management system (recruitment process, competency system for given jobs, methodology for validation of competence of civil servants, the system of assessment and monitoring of civil servants).
- Initiatives and actions in the area of anti-corruption in public service.
- Increased financing through CBC programme 2014 – 2020 will enable stronger cooperation of institutions.
- New initiatives through CBC programme 2014 – 2020 in a field of tourism, cultural exchange, SME development, strengthening of education, etc.
- Need for stronger links between local/regional authorities and citizens that can contribute to delivery of qualitative and effective public services.
- Need for cooperation between local/regional authorities as public service providers and CSOs enabling compliance of delivery of services with the needs of the users.
- Need for modernisation of public administration and more effective governance.
- SME sector presents an opportunity for strengthening of local and regional economies.
- Good potential for organic/eco production due to low pollution level and quality of soil (lack of big industries and polluters in past 23 years) and growing trend in organic/eco agriculture in all 3 countries.
- Existing and potential transport system and services (e.g. airports and sea/river ports) can create opportunity for SMEs development.
- Strong potential for SMEs clustering in the programme area (e.g. olive oil production, wine or honey routes, IT) as an opportunity for joint breakthrough in the regional and international markets.
- Recognized need for further capacity building in SMEs in dealing with business barriers; using different sources of financing, using services of existing business support institutions, etc.
- Existing business support institutions have great potential to increase their impact on SME/economy development through increasing quality of their service.
- Programme area has number of business support institutions and universities that have potential for more active role in promotion of R&D and innovation.
- Potential for implementation of innovation strategies.
- Recognized need for raising awareness and building capacities among youth on innovation.
- The potential of R&D in rural development and agriculture.
- The potential of ICT in the rural and remote areas of the programme area.
- Growing need for commercialisation in the innovative products in the programme area and share of best practice.

#### *Threats*

- Misbalance between supply and demand on labour market.

- Limited new employment possibilities due to recession and difficult economic situation.
- Frequent changes of legislative framework in the area of education and employment policy.
- Further decline in agricultural sector in the programme area due to the lack of sustainable rural development strategies in 3 countries (developing solution for challenges such as irrigation system, segmentation, etc.).
- Health system in need for restructuring.
- Increasing frequency of flood, droughts, fire and other natural disasters due to climate change.
- Administrative burden for introducing new plans in renewable energy sector.
- Sea and water pollution (sea accidents, ballast water from vessels).
- Vulnerability of the programme area to both man-made and natural disasters.
- Croatia's entry to Schengen regime might have negative impact on border propulsion.
- Insufficient investment into transport networks restrains economic development.
- Lack of entrepreneurial spirit and skills for tourism in some parts of the programme area leading to decreased quality of tourist offer.
- Lack of cooperation between different tourism stakeholders but also between different tourism niches (e.g. agricultural, health, culture sectors, etc.) in order to provide integral touristic offer.
- Potential distortion of natural heritage due to fast growth of tourism sector without sustainable strategy.
- Difficult economic situation in all three countries leads to lack of opportunities for employment.
- Lack of opportunities for the employment results in emigration of youth.
- Increasing brain drain from all 3 countries.
- Slow progress in fight against corruption.
- Low awareness among citizens/public on corruptive methods and behaviours.
- Possible changes in the accession processes are putting additional pressure for reforms and actions on local and regional level.
- Continuation of financial crisis/economic stagnation in the programme area can lead to further cuts in public sectors affecting capacities at local and regional level of governance.
- Frequent changes of legislative framework which influences ability to plan long-term.
- Existing customs regime between the countries.
- Possible restrictions in movement of persons and goods with partner countries once Croatia joins the Schengen Area. Lack of diversified financing for SME sector has negative impact on entrepreneurship.
- Lack of cooperation between scientific and private sector.
- Trend of decrease in the number of total researchers.
- Global market and strong competitive world players leaving behind countries with low level of investment in R&D and innovation sector.

#### **1.1.1.4 How the cooperation programme will address these needs and challenges**

The overall programme strategy is formulated in direct response to the relevant Partnership Agreement (HR) and Indicative Strategy Papers for BA and ME.

Partnership Agreement (HR) identifies main funding priorities for the ESI fund for Croatia for the period 2014-2010. These are:

- **Innovative and competitive business and research environment**
- **Promoting energy efficiency, renewable energies and protecting natural resources**
- Sustainable and modern transport and network infrastructure
- **Enhancing labour market participation and quality of the education system**
- **Active inclusion** and reduction of poverty
- Supporting the quality, effectiveness and efficiency of public administration and judiciary

Indicative Country Strategy Paper for BA identifies main funding priorities in the following areas:

- Democracy and management
- Rule of law and basic rights
- **Competitiveness and innovation**, local development strategies
- **Education, employment and social policies**

Indicative Country Strategy Paper for ME identifies main funding priorities in the following areas:

- Democracy and governance
- Rule of law and fundamental rights
- **Environment and climate action**
- Transport
- **Competitiveness and innovation**
- **Education, employment and social policies**
- Agriculture and rural development
- **Regional and territorial cooperation**

The specific objectives of IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 take into account common challenges and needs shared by most or all border areas of the programme area and can thus contribute better to social, economic and territorial cohesion than national endeavours alone. The programme strategy seeks to reduce barriers of development by promoting sustainable and integrated territorial approaches. It aims to strengthen existing or to make use of yet untapped potentials to support territorial integration, which will ultimately result in creation of growth and jobs.

Consequently, by exploiting potentials of the area and striving to overcome barriers of development, the IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 builds on the following TPs which are in line with issues identified as well as with development goals set out in relevant national strategy papers:

- Employment, labour market, social inclusion, health (TP 1)
- Environment, risk prevention and energy production (TP 2)
- Tourism and cultural and natural heritage (TP 4)
- Competitiveness and SME development (TP 7)

The selected TPs have been translated into four priority axes, which reflect the needs and challenges as identified in the situational analysis of the programme area.

For each TP one or two specific objectives (SO) were then defined. The seven SOs indicate specific changes that the IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 intends to reach.

Annex --- gives an overview of the programme strategy and its structure.

*Priority Axis 1 – “Contributing to building efficient and effective labour market and enhancing social inclusion as well as social and healthcare”*

Priority axis 1 aims to contribute to building efficient and effective labour market and to enhance social inclusion and healthcare especially through development of capacities and skills of labour force and through improvement of services in the public health and social welfare sector.

More concretely, the priority focuses on developing and implementing of lifelong learning programmes and education on self-employment, entrepreneurship and social entrepreneurship with emphasis on providing support to vulnerable groups. Furthermore, the priority will address the challenges identified in the area of public health and social welfare sector by enhancing accessibility to the related services.

A clear contribution to the following main funding priorities of relevant national strategy papers can be observed:

- Active inclusion and reduction of poverty
- Enhancing labour market participation and quality of the education system
- Education, employment and social policies
- Regional cooperation and territorial cooperation.

*Priority Axis 2 – “Protecting the environment, improving risk prevention and sustainable energy production”*

Priority axis 2 directly responds to the environment protection, risk prevention improvement and aims at strengthening the usage of renewable energies and improving energy efficiency.

Developing and implementing joint environmental management initiatives, improving protection systems (from fire, flood, draught), supporting measures and tools for reducing the risk of natural disasters and improving of public systems for water supply, waste water treatment and solid waste collection shall be supported in order to tackle the challenges that the programme area is facing in the area of environment, nature and natural resources protection and management systems for risk prevention.

This axis primarily contributes to the main funding priority of relevant national strategy papers below:

- Promoting energy efficiency, renewable energies and protecting natural resources
- Environment and climate action
- Regional cooperation and territorial cooperation.

*Priority Axis 3 – “Encouraging tourism and preserving cultural and natural heritage”*

Priority axis 3 aims at further development and diversification of existing tourism potential and at protecting and more sustainably using of natural and cultural heritage.



The priority targets the strengthening of existing potentials by including other sectors and complementary services in tourist offer, by supporting to introducing (international) certifications and standards in the tourist products, - developing and improving small-scale tourism infrastructure and supporting capacity building in tourism sector. Furthermore, this priority aims to valorising natural and cultural potentials of the programme area in order to integrate culture, nature and leisure activities into tourism offer. All these targets of this priority axis will help to strengthen and diversify the tourist offer in whole programme area.

***Priority Axis 4 – “Enhancing competitiveness and developing business environment in the programme area”***

Priority axis 4 addresses the main challenges and needs related to the enhancing competitiveness and development of business environment in the programme area.

Developing and supporting existing business support institutions, existing business clusters and networks of SMEs, improving capacities in the area of entrepreneurs and supporting to development of innovative products and services shall be supported in order for SMEs to have better chance to increase turnover, internationalise their products and create more jobs.. These targets of priority axis will help to accelerate development of business environment and overall, the competitiveness of the programme area.

A clear contribution to the following main funding priorities of relevant national strategy papers can be observed:

- Innovative and competitive business and research environment
- Competitiveness and innovation, local development strategies
- Competitiveness and innovation
- Regional cooperation and territorial cooperation.

2.1.2. Justification for the choice of thematic priorities, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation

**Table 1: Justification for the selection of thematic priorities**

Selected thematic priority	Justification for selection <i>(max 1000 characters)</i>
<b>TP 1 Employment, labour market, social inclusion, health</b>	<p>The programme area has an alarmingly high unemployment rate: in Croatia 21.9%, in Montenegro 19.2%, in the Bosnia and Herzegovina 41.65%.</p> <p>The programme area has a rapid ageing labour force, inadequate formal education and skills for the labour market needs, and there is insufficient incentives for employment of vulnerable groups.</p> <p>The social care services differ across the regions and do not have the</p>

	<p>capacity to provide personalized and integrated services and information especially for vulnerable groups (e.g. elderly, disabled, etc.).</p> <p>Despite of sufficient number of hospitals there is an inefficient and ineffective network of healthcare institutions, inappropriate mobilisation of care capacities, underperforming system management including insufficient focus on quality standards and low level of ICT solutions in use.</p>
<p><b>TP 2</b> <b>Environment, risk prevention and energy production</b></p>	<p>The programme area has a richness of landscapes, biodiversity and natural resources, as well sensitive ecosystems, therefore significant environmental challenges are related to their protection .</p> <p>In the programme area there are 12 environmental hot spots and only 3 of them have a remediation plan in use.</p> <p>Lack of equipment for the purification of urban and industrial wastewater and solid waste represent serious environmental risks.</p> <p>Energy indicators in the programme area are showing lack of available energy resources and production capacities, but there are favourable conditions for renewable energy production from geothermal energy, hydro energy, solar and wind.</p> <p>In the programme area there is high risk of flood, droughts and fire.</p> <p>Functionality of protection systems related to natural disasters is not on the satisfactory level and needs to be improved.</p>
<p><b>TP 4</b> <b>Tourism and cultural and natural heritage</b></p>	<p>The programme area has a rich natural beauty of the coast and a great tourism potential in the continental part (thermal springs, castles, protected areas, mountains, rivers, etc.) but they are often not sufficiently used.</p> <p>In the programme area there is an insufficient diversification of tourism services, insufficient number of globally branded destination and inadequate tourism infrastructure which needs further improvement. Tourism sector is insufficiently linked with other economy sectors (e.g. agriculture).</p> <p>The richness of the programme area's natural and cultural resources needs to be preserved and their management improved.</p> <p>Natural and cultural resources are not sufficiently linked with tourism sector.</p>

<p><b>TP 7</b> <b>Competitiveness and SME development</b></p>	<p>There are around 150 000 SMEs in the programme area, mostly micro enterprises. The tourism related SMEs in coastal area are rather well developed, and there are diverse business zones, centres for technological development, business incubators.</p> <p>However, there is a lack of R&amp;D and innovation in SMEs, entrepreneurial skills and supporting services are in general low and there is a lack of (joint) local products branding.</p> <p>The SMEs offers a good potential to strengthen the local and regional economies, and have a good potential for organic/eco production due to low pollution level and quality of soil (lack of big industries and polluters in past 23 years) and growing trend in organic/eco agriculture.</p>
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## 1.2 Justification for the financial allocation

Justification for the financial allocation (i.e. Union support) to each thematic priority in accordance with the thematic concentration requirements (taking into account the ex-ante evaluation).

<1.2.1 type= 'S' maxlength= '7000' input= 'M' >

The overall programme budget is EUR 50.000.000,00. The financial allocation to the chosen thematic priorities reflects:

- The needs and opportunities as described in the Situation Analysis and SWOT
- The estimated financial size of actions foreseen in each priority axis
- The coherence with the funding priorities as in the Partnership Agreement for Croatia and Indicative Country Strategy Papers for Bosnia and Herzegovina and Montenegro
- The inputs provided by relevant partners within consultations (Annex)
- The experiences of the programming period 2007-2013 for the IPA programmes Croatia-Bosnia and Herzegovina and Croatia-Montenegro
- The Technical Assistance according the Commission Implementing Regulation (10%)

The following budget division was agreed:

15% for PA1

25% for PA2

30% for PA3

20% for PA4

10% for PA5

Further, for the estimation of the number of operations under each thematic objective an average

budget of an operation of about total cost of EUR 350.000,00 for PA 1, EUR 500.000,00 for PA 2, EUR 475.000,00 for PA 3 and EUR 350.000,00 for PA 4 has been assumed. However, since the financial size of an operation shall reflect the activities and outputs planned, also smaller and larger operations can be supported.

In addition, stakeholders of the programme area have a long tradition and a growing need of cooperation in the field of environment, nature and cultural heritage protection, tourism, entrepreneurship and community based services, as defined by priority axis of the relevant IPA cross-border programmes in the 2007-2013 programming period. Furthermore, there were around 1150 project applicants who applied to the published Call for proposals of the IPA cross-border programme Croatia-Bosnia and Herzegovina and around 545 project applicants who applied to the published Call for proposals of the IPA cross-border programme Croatia-Montenegro.

#### *Priority Axis 1*

The planned ERDF/IPA allocation to Priority Axis 1 is EUR 7.500.000,00 million corresponding to 15% percent of the programme budget, with an estimated number of about 21 operations that will be supported. This financial allocation reflects the planned size of actions facing the needs to strongly improve facilities for employment in the programme area and to improve services in the area of public health and social welfare sector. Furthermore, projects are expected to be rather small in size as they have been also in the IPA programmes Croatia-Bosnia and Herzegovina and Croatia-Montenegro in the 2007-2013 programming period.

The financial allocation is in line with the emphasis given to enhancing labour market participation, education and social policies within the funding priorities defined in the national strategy papers of all partner countries.

The financial allocation reflects the high interest shown by the relevant partners, with about --- percent of participants to the online survey expressing their interest in this priority and a very high number of inputs collected in the cross-border events.

(TO BE FILLED IN WITH EXACT DATA FOLLOWING THE ON-LINE CONSULTATIONS)

#### *Priority Axis 2*

The planned ERDF/IPA allocation to Priority Axis 2 is EUR 12.500.000,00 million corresponding to 25% percent of the programme budget, with an estimated number of about 25 operations that will be supported. Therefore, the large part of programme budget is reserved for Priority Axis 2 and this financial allocation reflects the planned size of actions to be rather more complex in order to face the needs to strongly improve environment and nature protection, utilization of renewable energy resources and to strengthen energy efficiency in the programme area.

The financial allocation is in line with the emphasis given to promoting energy efficiency, renewable energies and protecting natural resources within the funding priorities defined in the national strategy papers of all partner countries.

The financial allocation reflects the high interest shown by the relevant partners, with about --- percent of participants to the online survey expressing their interest in this priority and a very high number of inputs collected in the cross-border events.

(TO BE FILLED IN WITH EXACT DATA FOLLOWING THE ON-LINE CONSULTATIONS)

*Priority Axis 3*

The planned ERDF/IPA allocation to Priority Axis 3 is EUR 15.000.000,00 million corresponding to 30% percent of the programme budget, with an estimated number of about 32 operations that will be supported. Therefore, the largest part of programme budget is reserved for Priority Axis 3 and this financial allocation reflects the needs to strengthen and diversify the tourism offer and to enable sustainable use of cultural and natural heritage in the programme area. Furthermore, both smaller (e.g. promoting products) and larger projects (e.g. cycle paths) are expected as they have been also in the IPA programmes Croatia-Bosnia and Herzegovina and Croatia-Montenegro in the 2007-2013 programming period.

The financial allocation reflects the high interest shown by the relevant partners, with about --- percent of participants to the online survey expressing their interest in this priority and a very high number of inputs collected in the cross-border events.

(TO BE FILLED IN WITH EXACT DATA FOLLOWING THE ON-LINE CONSULTATIONS)

*Priority Axis 4*

The planned ERDF/IPA allocation to Priority Axis 4 is EUR 10.000.000,00 million corresponding to 20% percent of the programme, with an estimated number of about 29 operations that will be supported. This financial allocation reflects the planned size of actions facing the needs to accelerate the competitiveness and development of business environment in the programme area. Furthermore, it is expected that there will be both smaller (e.g. networks) and larger (e.g. laboratories) projects as they have been also in the IPA programmes Croatia-Bosnia and Herzegovina and Croatia-Montenegro in the 2007-2013 programming period.

The financial allocation is in line with the emphasis given to enhancing innovative and competitive business and research environment and competitiveness and innovation within the funding priorities defined in the national strategy papers of all partner countries.

The financial allocation reflects the high interest shown by the relevant partners, with about 56 percent of participants to the online survey expressing their interest in this priority and a very high number of inputs collected in the cross-border events.

(TO BE FILLED IN WITH EXACT DATA FOLLOWING THE ON-LINE CONSULTATIONS)

Results of ex-ante evaluation need to be inserted in this section.

**Table 2: Overview of the investment strategy of the cooperation programme**

Priority axis	Union support (in EUR)	Proportion (%) of the total Union support for the cooperation programme	Thematic priorities	Result indicators corresponding to the thematic priority
<1.2.1 type='S' input='G'>	<1.2.2 type='S' input='G'>	<1.2.5 type='S' input='G'><1.2.1 0type='P' input='G'>	<1.2.6 type='S' input='G'>	<1.2.9 type='S' input='G'>
PA 1	7.500.000,00	85%	TP 1	<ul style="list-style-type: none"> <li>• Increase in number of people employed in the programme area</li> <li>• % of institutions providing improved public health care and social care services</li> </ul>
PA 2	12.500.000,00	85%	TP 2	<ul style="list-style-type: none"> <li>• Number of km2 covered by improved management systems for risk prevention in programme area</li> <li>• Increase % share of energy collected through renewable resources in total energy collected in the programme area</li> </ul>
PA 3	15.500.000,00	85%	TP 4	<ul style="list-style-type: none"> <li>• Increase in number of tourist overnights in programme area</li> <li>• Number of improved cultural and natural heritage sites</li> </ul>
PA 4	10.000.000,00	85%	TP 7	<ul style="list-style-type: none"> <li>• Increase in world ranking in ease of doing business</li> </ul>
PA 5	5.000.000,00 EUR	100%	TA	
TOTAL	50.000.000,00 EUR			

## SECTION 2. PRIORITY AXES

(Reference: points (b) and (c) of Article 8(2) of Regulation (EU) No 1299/2013)

### Section 2.1. Description of the priority axes (other than technical assistance)

Each of the points under Section 2.1, from 1 to 8, shall be repeated for each priority axis as follows: PA 1 (2.1.1-2.1.8), as exemplified below, and then continue with PA 2 (2.2.1-2.2.8), PA 3 (2.3.1-2.3.8) etc

(Reference: point (b) of Article 8(2) of Regulation (EU) No 1299/2013)

#### 2.1.1 Priority axis 1

<i>ID of the priority axis</i>	PA 1
<i>Title of the priority axis</i>	Contributing to building efficient and effective labour market and enhancing social inclusion as well as social and healthcare

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	<2.1.3 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	<2.1.4 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	<2.1.5 type='C' input='M'>

#### 2.1.2 Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	IPA
<i>Calculation basis (total eligible)</i>	Total eligible expenditure



<i>expenditure or public eligible expenditure)</i>	
<i>Justification of the calculation basis choice</i>	<2A.8 type='S' input='M'>

### 2.1.3. The specific objectives of the thematic priority and expected results

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>ID</i>	PA 1
<i>Specific objective 1.1.</i>	To improve facilities for employment by developing capacities and skills of the programme area
<i>The results that the partner States seek to achieve with Union support</i>	<2A.1.3 type='S' maxlength='3500' input='M'>  Expected result 1.1.:  Improved facilities for employment due to developed capacities and skills in the programme area and strengthened cooperation between relevant stakeholders

<i>ID</i>	PA 1
<i>Specific objective 1.2.</i>	To improve services in the area of public health and social welfare sector
<i>The results that the partner States seek to achieve with Union support</i>	<2A.1.3 type='S' maxlength='3500' input='M'>  Expected result 1.2.:  Improved services in the area of public health and social welfare sector

## 2.1.4. Elements of other thematic priorities added to the priority axis

(Reference: Article 35(1) of IPA II Implementing Regulation)

N/A
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## 2.1.5. Actions to be supported under the thematic priority 1

### 2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic Priority</i>	TP 1 Employment, labour market, social inclusion, health
<p>&lt;2A.2.1.2 type='S' maxlength='14000' input='M'&gt;</p> <p>The supported actions under Priority axis 1 will contribute to building efficient and effective labour market and to enhancing social inclusion and healthcare especially through development of capacities and skills of labour force and through improvement of services in the public health and social welfare sector.</p> <p>Cross-border actions can bring added value through connecting different actors related to labour market, employment, health care and social welfare within different sectors of the programme area.</p> <p>According to the Specific objectives within Priority axis 1, two sets of actions will be supported:</p> <ul style="list-style-type: none"><li>- Actions to improve facilities for employment due to developed capacities and skills in the programme area and strengthened cooperation between relevant stakeholders (as per SO 1.1. - Expected result 1.1.)</li><li>- Actions to improve services in the area of public health and social welfare sector (as per SO 1.2. - Expected result 1.2.)</li></ul> <p><b>Actions to improve facilities for employment due to developed capacities and skills in the programme area and strengthened cooperation between relevant stakeholders</b></p> <p><i>Examples of actions supported within SO 1 are:</i></p> <ul style="list-style-type: none"><li>- Developing and implementing lifelong learning programmes that aim to provide programme area inhabitants the possibility to gain knowledge / experiences / qualifications in line with the labour market needs.</li><li>- Supporting education on self-employment, entrepreneurship and social</li></ul>	

- entrepreneurship including related advisory programmes for entrepreneurship start-ups
- Developing and implementing activities related to vocational rehabilitation (reintroducing people to work) including small scale infrastructure and equipment.
  - Pilot employment initiative projects including volunteerism, addressing common employment potentials of the programme area.
  - Supporting cross-border networks in order to enhance social dialogue.
  - Networking of institutions in order to enhance social entrepreneurship including support to business counselling and setting-up of social enterprises.
  - Activities aiming to increase contacts and cooperation of students, graduates, educational and vocational institutions with potential employers in public and private sector including organisation of joint job fairs/roundtables/ promotional events and campaigns.
  - Training programs, awareness raising campaigns /fairs etc. for recipients of social care in order to encourage them for their involvement/active role in social entrepreneurship.
  - Providing support to vulnerable groups (such as youth, disabled, elderly, women, minorities, inactive people, etc.) in order to enable them with access to employment through developing and implementing related education programmes.

### **Actions to improve services in the area of public health and social welfare sector**

*Examples of actions supported within SO 2 are:*

- Providing support to public health institutions in promoting healthy lifestyles and disease prevention.
- Providing support to public health institutions in improving accessibility and effectiveness (e.g. small infrastructure and equipment), including related pilot projects.
- Implementing ICT solutions in order to improve public health and social care services.
- Networking of organisations (e.g. social care services, family centres, health care institutions, education institutions, etc.) in order to create joint activities for enhancing accessibility to social services.
- Providing support to vulnerable groups (such as youth, disabled, elderly, women, minorities, inactive people, etc.) in order to enable them with access to employment through developing and implementing related education programmes/counselling support services.
- Awareness rising activities in promotion of different types of services available for vulnerable groups.

### *Main target groups and types of beneficiaries*

The main target groups to be understood as those individuals and/or organisations positively affected by the activities and results of an operation, though not necessarily being directly involved in the operation. They include private, public and civil sector, such as enterprises, policy makers and planners, organisations dealing with health care and social welfare as well as all population groups which are affected by the issue.

Beneficiaries to be understood as project partners benefitting from programme funds and implementing activities within the operation are all legal personalities that can contribute to improving facilities and services in the area of employment and public healthcare and social welfare sector throughout the programme area. They comprise amongst others: NGOs, organisations responsible for providing social and health services, public/non-profit

organisations including institutes, universities, colleges, educational institutions (e.g. primary and secondary schools), public institutions for adult education/learning, local and regional government bodies, development agencies, health care institutions, public elderly homes, regional and local public authorities, employment services, chambers of commerce, chambers of trades and crafts and business support institutions.

### **Specific territories targeted**

Taking into account that common potentials and challenges have been identified throughout the whole programme area, no specific territories will be targeted under the Priority axes 1. Therefore, the supported actions can be implemented throughout the whole programme area.

### **2.1.5.2. Guiding principles for the selection of operations**

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 1 Employment, labour market, social inclusion, health
<p><small>&lt;2A.2.2.2 type='S' maxlength='3500' input='M'&gt;</small></p> <p>The selection of operations will be carried out in accordance to Article 53 of Commission Implementing Regulation (EU) No 447/2014 following a standardised assessment procedure. It includes 3 sets of predefined quality criteria (presented below) constituting the methodological framework.</p> <p><b>Relevance criteria</b> allow for assessing the relevance of applications and the extent of their contribution to achieving a specific objective. They are directly linked to the results envisaged within a specific objective and can be summarised as follows:</p> <ul style="list-style-type: none"> <li>- Contribution to programme objectives and results, as defined by relevant specific objective</li> <li>- Contribution to relevant programme indicators</li> <li>- Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis</li> <li>- Coherence of operation relevance to programme area challenges and needs addressed by specific objectives</li> <li>- Coherence with relevant policies at different level</li> <li>- Contribution to the requirement of operation delivering clear cross-border impacts and benefits. <ul style="list-style-type: none"> <li>✓ Cooperation in the development and implementation of operations</li> <li>✓ In addition, cooperation either in the staffing or the financing or both</li> </ul> </li> </ul> <p><b>Operational criteria</b> allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:</p> <ul style="list-style-type: none"> <li>- Structure, coherence and transparency of the operation work plan</li> <li>- Correlation between defined problems, activities, objectives and operation indicators</li> <li>- Operation communication and capitalisation strategy and activities</li> <li>- Coherence of the budget with project work plan and value for money</li> </ul>	

- Structures and procedures set in place for the daily management of operations
- Sustainability criteria** allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:
- The project is expected to have a long lasting effect
  - The project is having an added value, is building on previous activities, is not repeating exactly the same activities in the same area.
  - The project is contributing to the horizontal issues (sustainable development, gender equality, etc.)

Detailed quality assessment criteria will be laid down and made available to applicants in call specific documents. The assessment will be conducted by qualified assessors, in line with the required expertise.

In case of strategic calls for proposals, the methodological framework for selection of strategic operations will include the following sets of criteria:

**Strategic criteria:**

- The Monitoring Committee considers an operation as strategic one
- The operation is considered to be crucial to realise the objectives of the CBC programme

**Relevance criteria:**

- Contribution to programme objectives and results, as defined by relevant specific objective
- Contribution to relevant programme indicators
- Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis
- Coherence of operation relevance to programme area challenges and needs addressed by specific objectives
- Coherence with relevant policies at different level
- Contribution to the requirement of operation delivering clear cross-border impacts and benefits.
  - ✓ Cooperation in the development and implementation of operations
  - ✓ In addition, cooperation either in the staffing or the financing or both

**Operational criteria** allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:

- Structure, coherence and transparency of the operation work plan
- Correlation between defined problems, activities, objectives and operation indicators
- Operation communication and capitalisation strategy and activities
- Coherence of the budget with project work plan and value for money
- Structures and procedures set in place for the daily management of operations

**Sustainability criteria** allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:

- The project is expected to have a long lasting effect
- The project is having an added value, is building on previous activities, is not repeating exactly the same activities in the same area.
- The project is contributing to the horizontal issues (sustainable development, gender equality, etc.)

**2.1.5.3. Planned use of financial instruments** (where appropriate)

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 1 Employment, labour market, social inclusion, health
<i>Planned use of financial instruments</i>	N/A
N/A	

## 2.1.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

### 2.1.6.1 Priority axis result indicators (programme specific)

**Table 3: Programme specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) <sup>2</sup>	Source of data	Frequency of reporting
PA 1	Increase in number of people employed in the programme area	Number	1.062.954 (Situation analysis)	2011/2012	1.063.044	Statistical offices (Situation analysis)	Annually
PA 1	% of institutions providing improved health care or social care services	Number	0	2014	3% = 11 institutions	Statistical offices and Monitoring of operations (progress reports)	Annually

<sup>2</sup> Target values may be qualitative or quantitative.



2.1.6.2. Priority axis output indicators (common or programme specific)

**Table 4: Programme common and specific output indicators**

<b>ID</b>	<b>Indicator (<i>name of indicator</i>)</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
PA 1	Nr of participants in joint local employment initiatives and joint training*	Number	1200	Monitoring of operations (progress reports)	Annually
PA 1	Nr of cross-border networks supported	Number	18	Monitoring of operations (progress reports)	Annually
PA 1	Nr of joint visibility/promotional events organized	Number	120	Monitoring of operations (progress reports)	Annually
PA 1	Nr of social enterprises established or improved in the programme area	Number	19	Monitoring of operations (progress reports)	Annually
PA 1	Nr of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across the border*	Number	1950	Monitoring of operations (progress reports)	Annually
PA 1	Population covered with improved health services*	Number	750000	Monitoring of operations (progress reports)	Annually

\*Common output indicators

## 2.1.7. Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

**Tables 5-8: Categories of intervention**

<b>Table 5: Dimension 1 Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 1	080 e-Inclusion, e-Accessibility, e-Learning and e-Education services and applications, digital literacy	
PA 1	081 ICT solutions addressing the healthy active ageing challenge and e-Health services and applications (including e-Care and ambient assisted living)	
PA 1	102 Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	
PA 1	107 Active and healthy ageing	
PA 1	109 Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	
PA 1	110 Socio-economic integration of marginalised communities such as the Roma	
PA 1	111 Combating all forms of discrimination and promoting equal opportunities	
PA 1	112 Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	
PA 1	113 Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	
PA 1	117 Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	
PA 1	118 Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	

<b>Table 6: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 1	01 Non-repayable grant	7.500.00,00

<b>Table 7: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 1	01 Large Urban areas (densely populated > 50 000 population)	
PA 1	02 Small Urban areas (intermediate density > 5 000 population)	
PA 1	03 Rural areas (thinly populated)	

<b>Table 8: Dimension 6 Territorial delivery mechanisms</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 1	07 Not applicable	

**2.1.8. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Priority axis</i>	PA 1
N/A	

### 2.2.1 Priority axis 2

<i>ID of the priority axis</i>	PA 2
<i>Title of the priority axis</i>	Protecting the environment, improving risk prevention and sustainable energy production

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	<2.1.3 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	<2.1.4 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	<2.1.5 type='C' input='M'>

### 2.2.2 Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	IPA
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	<2A.8 type='S' input='M'>

### 2.2.3. The specific objectives of the thematic priority and expected results

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>ID</i>	PA 2
<i>Specific objective 2.1.</i>	To promote and improve environment and nature protection through natural resources protection and management systems for risk prevention
<i>The results that the partner States seek to achieve with Union support</i>	<p>&lt;2A.1.3 type='S' maxlength='3500' input='M'&gt;</p> <p>Expected result 2.1.:</p> <p>Improved protection of natural resources and management systems for risk prevention Improved services in the area of public health and social welfare sector</p>

<i>ID</i>	PA 2
<i>Specific objective 2.2.</i>	To promote and enhance utilization of renewable energy resources in order to strengthen energy efficiency
<i>The results that the partner States seek to achieve with Union support</i>	<p>&lt;2A.1.3 type='S' maxlength='3500' input='M'&gt;</p> <p>Expected result 2.2.:</p> <p>Increased capacities and improved infrastructure for utilisation of renewable energy resources and application of energy efficiency</p>

#### 2.2.4. Elements of other thematic priorities added to the priority axis

(Reference: Article 35(1) of IPA II Implementing Regulation)

N/A
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## 2.2.5. Actions to be supported under the thematic priority 2

### 2.2.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic Priority</i>	TP 2 Environment, climate change, risk prevention
<p>&lt;2A.2.1.2 type='S' maxlength='14000' input='M'&gt;</p> <p>The supported actions under Priority axis 2 will contribute to environment protection, risk prevention improvement and to strengthening the usage of renewable energies and improving energy efficiency.</p> <p>Actions shall be based on cross-border cooperation in order to build competences and to develop and implement strategies and management approaches for environmental and natural resources protection and for improving energy efficiency.</p> <p>According to the Specific objectives within Priority axis 2, two sets of actions will be supported:</p> <ul style="list-style-type: none"><li>- Actions to improve protection of natural resources and management systems for risk prevention (as per SO 2.1. - Expected result 2.1.)</li><li>- Actions to increase capacities and improve infrastructure for utilisation of renewable energy resources and application of energy efficiency (as per SO 2.2. - Expected result 2.2.)</li></ul> <p><b>Actions to improve protection of natural resources and management systems for risk prevention</b></p> <p><i>Examples of actions supported within SO 2.1. are:</i></p> <ul style="list-style-type: none"><li>- Awareness raising activities, information campaigns and education and training concerning environmental and natural resources protection.</li><li>- Developing and implementing joint environmental management initiatives. For example: development of joint management plans for nature protected areas, protection of natural resources, monitoring and exchange of data, biodiversity and geo-diversity maps, conservation of natural habitats.</li><li>- Improving and upgrading the procedures and operations of public utility companies involved in water supply, waste water treatment and solid waste collection.</li><li>- Actions upgrading small scale infrastructure and equipment including elaboration of project documentation for future investment projects.</li><li>- Improving protection systems (from fire, flood, draught) through for example:</li><li>- Establishing joint networks for development and implementation of joint plans.</li><li>- Cross-border measures and tools for reducing the risk of natural disasters.</li><li>- Implementing joint interventions in case of accidents and natural disasters and establishment of joint emergency centres, including small-scale infrastructure</li></ul>	

and equipment.

**Actions to increase capacities and improve infrastructure for utilisation of renewable energy resources and application of energy efficiency**

*Examples of actions supported within SO 2.2. are:*

- Transfer of knowledge (awareness rising), exchange of experience and capacity building on the utilization of renewable energy resources and energy efficiency.
- Elaboration of joint studies and documentation on (the utilization of) renewable energy resources and energy efficiency.
- Developing and implementing joint pilot projects in energy efficiency and renewable energy resources.
- Investing in joint infrastructure on sustainable energy production and energy efficiency.
- Joint incentives in order to improve legal framework in the area of renewable energy resources and energy efficiency (e.g. analyses, comparisons, recommendation, local/regional action plans etc.).

*Main target groups and types of beneficiaries*

The main target groups to be understood as those individuals and/or organisations positively affected by the activities and results of an operation, though not necessarily being directly involved in the operation. They include private, public and civil sector, such as enterprises, policy makers and planners, organisations dealing with environment and risk prevention as well as all population groups which are affected by the issue.

Beneficiaries to be understood as project partners benefitting from programme funds and implementing activities within the operation are all legal personalities that can contribute to improving in the area of natural resources, management systems for risk prevention, energy production and energy efficiency throughout the programme area. They comprise amongst others: NGO's, public companies (e.g. water management companies, public electrical companies, etc.), public energy agencies, public institutions (e.g. institutes and other research organisations, development agencies national/regional/local institutions responsible for environment and nature, etc.), educational institutions (for example universities, faculties, open universities, adult education institutions, primary and secondary schools etc.), local and regional authorities, business supporting institutions, etc.

**Specific territories targeted**

Taking into account that common potentials and challenges have been identified throughout the whole programme area, no specific territories will be targeted under the Priority axes 2.

Therefore, the supported actions can be implemented throughout the whole programme area.

### 2.2.5.2. Guiding principles for the selection of operations

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 2 Environment, climate change, risk prevention
<p data-bbox="178 584 691 613">&lt;2A.2.2.2 type='S' maxlength='3500' input='M'&gt;</p> <p data-bbox="178 613 1324 757">The selection of operations will be carried out in accordance to Article 53 of Commission Implementing Regulation (EU) No 447/2014 following a standardised assessment procedure. It includes 3 sets of predefined quality criteria (presented below) constituting the methodological framework.</p> <p data-bbox="178 792 1324 902"><b>Relevance criteria</b> allow for assessing the relevance of applications and the extent of their contribution to achieving a specific objective. They are directly linked to the results envisaged within a specific objective and can be summarised as follows:</p> <ul data-bbox="178 902 1324 1346" style="list-style-type: none"> <li>- Contribution to programme objectives and results, as defined by relevant specific objective</li> <li>- Contribution to relevant programme indicators</li> <li>- Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis</li> <li>- Coherence of operation relevance to programme area challenges and needs addressed by specific objectives</li> <li>- Coherence with relevant policies at different level</li> <li>- Contribution to the requirement of operation delivering clear cross-border impacts and benefits. <ul style="list-style-type: none"> <li>✓ Cooperation in the development and implementation of operations</li> <li>✓ In addition, cooperation either in the staffing or the financing or both</li> </ul> </li> </ul> <p data-bbox="178 1382 1324 1491"><b>Operational criteria</b> allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:</p> <ul data-bbox="178 1491 1324 1711" style="list-style-type: none"> <li>- Structure, coherence and transparency of the operation work plan</li> <li>- Correlation between defined problems, activities, objectives and operation indicators</li> <li>- Operation communication and capitalisation strategy and activities</li> <li>- Coherence of the budget with project work plan and value for money</li> <li>- Structures and procedures set in place for the daily management of operations</li> </ul> <p data-bbox="178 1711 1324 1785"><b>Sustainability criteria</b> allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:</p> <ul data-bbox="178 1785 1324 1966" style="list-style-type: none"> <li>- The project is expected to have a long lasting effect</li> <li>- The project is having an added value, is building on previous activities, is not repeating exactly the same activities in the same area.</li> <li>- The project is contributing to the horizontal issues (sustainable development, gender equality, etc.)</li> </ul>	



Detailed quality assessment criteria will be laid down and made available to applicants in call specific documents. The assessment will be conducted by qualified assessors, in line with the required expertise.

In case of strategic calls for proposals, the methodological framework for selection of strategic operations will include the following sets of criteria:

**Strategic criteria:**

- The Monitoring Committee considers an operation as strategic one
- The operation is considered to be crucial to realise the objectives of the CBC programme

**Relevance criteria:**

- Contribution to programme objectives and results, as defined by relevant specific objective
- Contribution to relevant programme indicators
- Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis
- Coherence of operation relevance to programme area challenges and needs addressed by specific objectives
- Coherence with relevant policies at different level
- Contribution to the requirement of operation delivering clear cross-border impacts and benefits.
  - ✓ Cooperation in the development and implementation of operations
  - ✓ In addition, cooperation either in the staffing or the financing or both

**Operational criteria** allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:

- Structure, coherence and transparency of the operation work plan
- Correlation between defined problems, activities, objectives and operation indicators
- Operation communication and capitalisation strategy and activities
- Coherence of the budget with project work plan and value for money
- Structures and procedures set in place for the daily management of operations

**Sustainability criteria** allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:

- The project is expected to have a long lasting effect
- The project is having an added value, is building on previous activities, is not repeating exactly the same activities in the same area.
- The project is contributing to the horizontal issues (sustainable development, gender equality, etc.)

**2.2.5.3. Planned use of financial instruments** (where appropriate)

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 2 Environment, climate change, risk prevention
<i>Planned use of financial instruments</i>	N/A
N/A	

## 2.2.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

### 2.2.6.1 Priority axis result indicators (programme specific)

**Table 3: Programme specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) <sup>3</sup>	Source of data	Frequency of reporting
PA 2	Number of km2 covered by improved management systems for risk prevention in programme area	Number	10464 km2 of protected area	2014	25	Monitoring of operations (progress reports)	Annually
PA 2	% Increase of energy collected through renewable resources in total energy collected in programme area	Percentage	24%	2010	27%	Statistical offices (Situation analysis)	Annually

<sup>3</sup> Target values may be qualitative or quantitative.

2.2.6.2. Priority axis output indicators (common or programme specific)

Table 4: Programme common\* and specific output indicators

ID	Indicator ( <i>name of indicator</i> )	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
PA 2	Nr of awareness rising campaigns organised	Number	25	Monitoring of operations (progress reports)	Annually
PA 2	Nr of joint environmental management initiatives (plans) developed and implemented	Number	10	Monitoring of operations (progress reports)	Annually
PA 2	Nr of public companies - service providers on water supply, waste water treatment and solid waste with improved procedures and operations.	Number	13	Monitoring of operations (progress reports)	Annually
PA 2	Population benefiting from flood protection measures*	Number	1000000	Monitoring of operations (progress reports)	Annually
PA 2	Population benefiting from forest fire protection measures*	Number	500000	Monitoring of operations (progress reports)	Annually
PA 2	Surface area of habitats supported in order to attain a better conservation status.(km2)*	Number	13	Monitoring of operations (progress reports)	Annually
PA 2	Additional capacity of renewable energy production*	Number	5	Monitoring of operations (progress reports)	Annually

\*Common output indicators

## 2.2.7. Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

**Tables 5-8: Categories of intervention**

<b>Table 5: Dimension 1 Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 2	009 Renewable energy: wind	
PA 2	010 Renewable energy: solar	
PA 2	011 Renewable energy: biomass	
PA 2	012 Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (including storage, power to gas and renewable hydrogen infrastructure)	
PA 2	013 Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	
PA 2	014 Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures	
PA 2	017 Household waste management, (including minimisation, sorting, recycling measures)	
PA 2	018 Household waste management, (including mechanical biological treatment, thermal treatment, incineration and landfill measures)	
PA 2	022 Waste water treatment	
PA 2	085 Protection and enhancement of biodiversity, nature protection and green infrastructure	
PA 2	087 Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	
PA 2	088 Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures	
PA 2	021 Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	
PA 2	086 Protection, restoration and sustainable use of Natura 2000 sites	

<b>Table 6: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 2	01 Non-repayable grant	12.500.000,00

<b>Table 7: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 2	01 Large Urban areas (densely populated > 50 000 population)	
PA 2	02 Small Urban areas (intermediate density > 5 000 population)	
PA 2	03 Rural areas (thinly populated)	

<b>Table 8: Dimension 6 Territorial delivery mechanisms</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 2	07 Not applicable	

**2.2.8. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Priority axis</i>	PA 2
N/A	

### **2.3.1 Priority axis 3**

<i>ID of the priority axis</i>	PA 3
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<i>Title of the priority axis</i>	Encouraging tourism and preserving cultural and natural heritage
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<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	<2.1.3 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	<2.1.4 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	<2.1.5 type='C' input='M'>

### 2.3.2 Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	IPA
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	<2A.8 type='S' input='M'>

### 2.3.3. The specific objectives of the thematic priority and expected results

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>ID</i>	PA 3
<i>Specific objective 3.1.</i>	To strengthen and diversify the tourism offer
<i>The results that the partner States seek to achieve with Union support</i>	<2A.1.3 type='S' maxlength='3500' input='M'> Expected result 3.1.: Strengthened and diversified tourism offer in the programme area

<i>ID</i>	PA 3
<i>Specific objective 3.2.</i>	To enable a better management and sustainable use of the cultural and natural heritage
<i>The results that the partner States seek to achieve with Union support</i>	<2A.1.3 type='S' maxlength='3500' input='M'> Expected result 3.2.: Improved management and sustainable use of cultural and natural heritage

### 2.3.4. Elements of other thematic priorities added to the priority axis

(Reference: Article 35(1) of IPA II Implementing Regulation)

N/A



## 2.3.5. Actions to be supported under the thematic priority 3

### 2.3.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic Priority</i>	TP 4 Tourism, cultural and natural heritage
<p>&lt;2A.2.1.2 type='S' maxlength='14000' input='M'&gt;</p> <p>The supported actions under Priority axis 3 will contribute to development and diversification of existing tourism potential and to protecting and more sustainably using of natural and cultural heritage.</p> <p>Cross-border cooperation can add value through building new joint products and services in tourism as well as through improving skills and competences addressing stakeholders dealing with tourism and the protection of cultural and natural heritage and resources, in order to enable their sustainable management.</p> <p>According to the Specific objectives within Priority axis 3, two sets of actions will be supported:</p> <ul style="list-style-type: none"><li>- Actions to strengthen and diversify the tourism offer (as per SO 3.1. - Expected result 3.1.)</li><li>- Actions to enable a better management and sustainable use of the cultural and natural heritage (as per SO 3.2. - Expected result 3.2.)</li></ul> <p><b>Actions to strengthen and diversify the tourism offer</b></p> <p><i>Examples of actions supported within SO 3.1. are:</i></p> <ul style="list-style-type: none"><li>- Developing, promoting and branding of joint tourism niches and products including developing joint tourism activities such as: ecotourism, hunting, rural, mountain, excursion, cultural, adventure, religious, nautical, conference, health and wellness and spa tourism.</li><li>- Joint incentives of integrating culture, nature and leisure activities into tourism offer</li><li>- Diversifying the tourism offer by including other sectors (e.g. agriculture, organic food supply, handicrafts and other local products, culture, sustainable transport, etc.).</li><li>- Developing complementary services in tourist offer valorising natural and cultural potentials of the programme area.</li><li>- Promoting and introducing (international) certifications and standards, in order to improve the quality of tourism providers and their services.</li><li>- Support to development and improvement in destination management capacity</li></ul>	

building in tourism sector (e.g. by developing destination management skills and focusing on quality (e.g. standardisation) and integration of offers, tourist destination development, management, marketing and promotion).

- Cross-border networking of institutions in tourism sector, including establishment of clusters.
- Developing innovative offers and services using ICT and other technologies (e.g. GPS routes, booking systems).
- Developing and improving small-scale tourism infrastructure such as: walking paths, cycling routes, hiking, riding trails, signposting, visitor centres, etc.

### **Actions to enable a better management and sustainable use of the cultural and natural heritage**

*Examples of actions supported within SO 3.2. are:*

- Valuating, preserving, restoring and reviving (e.g. animation of site) cultural, historical and natural heritage e.g. UNESCO and other historical and cultural sites and landscapes, including enabling or improving access to them.
- Enabling joint cultural cooperation initiatives including creation of joint cultural events such as cultural festivals, cultural exchanges, joint theatre performances or joint/traveling exhibitions.
- Training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) on cultural and natural heritage.
- Investments in certification including training, equipment supply but also small scale infrastructure on cultural and natural heritage.

### *Main target groups and types of beneficiaries*

The main target groups to be understood as those individuals and/or organisations positively affected by the activities and results of an operation, though not necessarily being directly involved in the operation. They include private, public and civil sector, such as enterprises, policy makers and planners, organisations dealing with tourism and cultural and natural heritage as well as all population groups which are affected by the issue.

Beneficiaries to be understood as project partners benefitting from programme funds and implementing activities within the operation are all legal personalities that can contribute to improving in the area of tourism and management of cultural and natural heritage throughout the programme area. They comprise amongst others: NGOs (for example citizens associations, development agencies, local action groups, chambers, clusters, expert associations etc.), public institutions (for example institutes and other research organisations, development agencies national/regional/local institutions responsible for environment and nature, national/regional/local institutions responsible for culture including museums, libraries and theatres, etc.), educational institutions (for example universities, faculties, open universities, adult education institutions, primary and secondary schools etc.), local and regional authorities, tourist boards and organisations, business supporting organisations, etc.

### **Specific territories targeted**

Taking into account that common potentials and challenges have been identified throughout the whole programme area, no specific territories will be targeted under the Priority axes 3.

Therefore, the supported actions can be implemented throughout the whole programme area.

### 2.3.5.2. Guiding principles for the selection of operations

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 4 Tourism, cultural and natural heritage
<p>&lt;2A.2.2.2 type='S' maxlength='3500' input='M'&gt;</p> <p>The selection of operations will be carried out in accordance to Article 53 of Commission Implementing Regulation (EU) No 447/2014 following a standardised assessment procedure. It includes 3 sets of predefined quality criteria (presented below) constituting the methodological framework.</p> <p><b>Relevance criteria</b> allow for assessing the relevance of applications and the extent of their contribution to achieving a specific objective. They are directly linked to the results envisaged within a specific objective and can be summarised as follows:</p> <ul style="list-style-type: none"><li>- Contribution to programme objectives and results, as defined by relevant specific objective</li><li>- Contribution to relevant programme indicators</li><li>- Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis</li><li>- Coherence of operation relevance to programme area challenges and needs addressed by specific objectives</li><li>- Coherence with relevant policies at different level</li><li>- Contribution to the requirement of operation delivering clear cross-border impacts and benefits.<ul style="list-style-type: none"><li>✓ Cooperation in the development and implementation of operations</li><li>✓ In addition, cooperation either in the staffing or the financing or both</li></ul></li></ul> <p><b>Operational criteria</b> allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:</p> <ul style="list-style-type: none"><li>- Structure, coherence and transparency of the operation work plan</li><li>- Correlation between defined problems, activities, objectives and operation indicators</li><li>- Operation communication and capitalisation strategy and activities</li><li>- Coherence of the budget with project work plan and value for money</li><li>- Structures and procedures set in place for the daily management of operations</li></ul> <p><b>Sustainability criteria</b> allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:</p> <ul style="list-style-type: none"><li>- The project is expected to have a long lasting effect</li><li>- The project is having an added value, is building on previous activities, is not repeating exactly the same activities in the same area.</li><li>- The project is contributing to the horizontal issues (sustainable development, gender equality, etc.)</li></ul> <p>Detailed quality assessment criteria will be laid down and made available to applicants in call specific application documents. The assessment will be conducted by qualified independent assessors, in line with the required expertise.</p>	

In cases when achievement of programme results requires implementation of targeted or strategic actions, JMC may decide to implement strategic projects or to launch targeted/strategic calls.

A project that is critical to achieve the results of the programme is considered as strategic project.

In case of targeted/strategic calls for proposals, the methodological framework for selection of strategic operations will include the following sets of criteria:

**Strategic criteria:**

- The Monitoring Committee considers an operation as strategic one
- The operation is considered to be crucial to realise the objectives of the CBC programme

**Relevance criteria:**

- Contribution to programme objectives and results, as defined by relevant specific objective
  - Contribution to relevant programme indicators
  - Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis
  - Coherence of operation relevance to programme area challenges and needs addressed by specific objectives
  - Coherence with relevant policies at different level
  - Contribution to the requirement of operation delivering clear cross-border impacts and benefits.
- ✓ Cooperation in the development and implementation of operations
  - ✓ In addition, cooperation either in the staffing or the financing or both

**Operational criteria** allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:

- Structure, coherence and transparency of the operation work plan
- Correlation between defined problems, activities, objectives and operation indicators
- Operation communication and capitalisation strategy and activities
- Coherence of the budget with project work plan and value for money
- Structures and procedures set in place for the daily management of operations

**Sustainability criteria** allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:

- The project is expected to have a long lasting effect
- The project is having an added value, is building on previous activities, is not

repeating exactly the same activities in the same area.

- The project is contributing to the horizontal quality requirements (sustainable development, gender equality, etc.)

**2.3.5.3. Planned use of financial instruments** (where appropriate)

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 4 Tourism, cultural and natural heritage
<i>Planned use of financial instruments</i>	N/A
N/A	

### 2.3.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

#### 2.3.6.1 Priority axis result indicators (programme specific)

**Table 3: Programme specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) <sup>4</sup>	Source of data	Frequency of reporting
PA 3	Increase in number of tourist overnights in programme area	Number	73.522.546	2012	73.525.546	Statistical offices (Situation analysis) and Monitoring of operations (progress reports)	Annually
PA 3	Nr of improved cultural and natural heritage sites	Number	There are more than 100 cultural sites in the programme area	2014	20 of the sites = 20%	Monitoring of operations (progress reports)	Annually

<sup>4</sup> Target values may be qualitative or quantitative.

2.3.6.2. Priority axis output indicators (common or programme specific)

**Table 4: Programme common\* and specific output indicators**

<b>ID</b>	<b>Indicator (<i>name of indicator</i>)</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
PA 3	Nr of joint tools/interventions developed	Number	75	Monitoring of operations (progress reports)	Annually
PA 3	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions*	Number	1000	Monitoring of operations (progress reports)	Annually
PA 3	Nr of tourism providers with (international) certifications and standards	Number	45	Monitoring of operations (progress reports)	Annually
PA 3	Nr of joint tourism offers developed and promoted	Number	25	Monitoring of operations (progress reports)	Annually
PA 3	Nr of people trained or coached in tourism sector	Number	900	Monitoring of operations (progress reports)	Annually
PA 3	m2/km of new/improved tourist infrastructure in the programme area	m2/km	38	Monitoring of operations (progress reports)	Annually

\*Common output indicator

### 2.3.7. Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

#### Tables 5-8: Categories of intervention

<b>Table 5: Dimension 1 Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 3	090 Cycle tracks and footpaths	
PA 3	091 Development and promotion of the tourism potential of natural areas	
PA 3	092 Protection, development and promotion of public tourism assets	
PA 3	093 Development and promotion of public tourism services	
PA 3	094 Protection, development and promotion of public cultural and heritage assets	
PA 3	095 Development and promotion of public cultural and heritage services	

<b>Table 6: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 3	01 Non-repayable grant	15.500.000,00

<b>Table 7: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 3	01 Large Urban areas (densely populated > 50 000 population)	
PA 3	02 Small Urban areas (intermediate density > 5 000 population)	
PA 3	03 Rural areas (thinly populated)	



<b>Table 8: Dimension 6 Territorial delivery mechanisms</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 3	07 Not applicable	

**2.3.8. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Priority axis</i>	PA 3
N/A	

### 2.4.1 Priority axis 4

<i>ID of the priority axis</i>	PA 4
<i>Title of the priority axis</i>	Enhancing competitiveness and developing business environment in the programme area

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	<2.1.3 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	<2.1.4 type='C' input='M'>
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	<2.1.5 type='C' input='M'>

### 2.4.2 Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	IPA
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	<2A.8 type='S' input='M'>

### 2.4.3. The specific objectives of the thematic priority and expected results

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>ID</i>	PA 4
<i>Specific objective 4.1.</i>	To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area
<i>The results that the partner States seek to achieve with Union support</i>	<2A.1.3 type='S' maxlength='3500' input='M'> Expected result 4.1.: Increased competitiveness and development of the business environment in the programme area

### 2.4.4. Elements of other thematic priorities added to the priority axis

(Reference: Article 35(1) of IPA II Implementing Regulation)

N/A
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### 2.4.5. Actions to be supported under the thematic priority 4

#### 2.4.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic Priority</i>	TP 7 Competitiveness and SME development
<2A.2.1.2 type='S' maxlength='14000' input='M'> The supported actions under Priority axis 4 will contribute to the enhancing institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area.  Cross-border actions can bring added value through improving skills and entrepreneurial	

competences as well as connecting different actors of the stakeholders involved in the economy sector through. Furthermore, enhanced knowledge exchange between research institutions, businesses (in particular SMEs), the education sector as well as the public sector will enable better access to research results for enterprises and consequently stimulate further investment in the application of innovation, enhancing the competitiveness of the programme area.

According to the Specific objective within Priority axis 4, following set of actions will be supported:

- Actions to increase competitiveness and development of the business environment in the programme area (as per SO 4.1. - Expected result 4.1.)

### **Actions to increase competitiveness and development of the business environment in the programme area**

*Examples of actions supported within SO 4.1. are:*

- Support to business support institutions and establishment of and support to existing and new business related sectorial networks and organisations in order to enhance standardisation, product protection, marketing and development of cross-border markets.
- Developing and supporting existing business clusters and networks of SMEs in order to develop and promote common products for local cross-border and international markets.
- Improving communication and cooperation between SMEs and business support institutions at national, regional and local level in the programme area.
- Improving the capacity of entrepreneurs including micro entrepreneurs such as family farms/households regarding marketing, branding, market research, e-business, competitiveness and education and training in entrepreneurship skills.
- Support to actions directly linked to attracting direct investments in the programme area.
- Increasing cooperation between research institutions, SMEs, public sector & development organisations to stimulate innovation and entrepreneurship to improve business innovativeness and technology based on smart specialization approach.
- Support to actions related to development of innovative products and services.
- Promoting and introducing (international) certifications and standards of existing and new products and services.
- Joint research and development activities involving the research and educational centres in the programme area in order to increase competitiveness.
- Support to innovative activities (e.g. patents, industrial design, trademark and innovation, etc.)

### *Main target groups and types of beneficiaries*

The main target groups to be understood as those individuals and/or organisations positively affected by the activities and results of an operation, though not necessarily being directly involved in the operation. They include private, public and civil sector, such as enterprises, policy makers and planners, organisations dealing with different economy sectors as well as all population groups which are affected by the issue.

Beneficiaries to be understood as project partners benefitting from programme funds and

implementing activities within the operation are all legal personalities that can contribute to improvement of competitiveness and development of business environment in the programme area. They comprise amongst others: NGOs (for example citizens associations, development agencies, local action groups, chambers, expert associations, clusters, producers associations and SME networks etc.), public institutions (for example institutes and other research organisations, development agencies national/regional/local institutions responsible for environment and nature, national/regional/local institutions responsible for culture including museums, libraries and theatres, etc.), educational institutions (for example universities, faculties, open universities, adult education institutions, primary and secondary schools etc.), local and regional authorities, business supporting organisations (for examples entrepreneurship centres and incubators, business zones and parks, etc.), cooperatives, etc.

#### **Specific territories targeted**

Taking into account that common potentials and challenges have been identified throughout the whole programme area, no specific territories will be targeted under the Priority axes 4. Therefore, the supported actions can be implemented throughout the whole programme area.

#### **2.4.5.2. Guiding principles for the selection of operations**

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 7 Competitiveness and SME development
<p><small>&lt;2A.2.2.2 type= 'S' maxlength= '3500' input= 'M'&gt;</small></p> <p>The selection of operations will be carried out in accordance to Article 53 of Commission Implementing Regulation (EU) No 447/2014 following a standardised assessment procedure. It includes 3 sets of predefined quality criteria (presented below) constituting the methodological framework.</p> <p><b>Relevance criteria</b> allow for assessing the relevance of applications and the extent of their contribution to achieving a specific objective. They are directly linked to the results envisaged within a specific objective and can be summarised as follows:</p> <ul style="list-style-type: none"> <li>- Contribution to programme objectives and results, as defined by relevant specific objective</li> <li>- Contribution to relevant programme indicators</li> <li>- Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis</li> <li>- Coherence of operation relevance to programme area challenges and needs addressed by specific objectives</li> <li>- Coherence with relevant policies at different level</li> <li>- Contribution to the requirement of operation delivering clear cross-border impacts and benefits. <ul style="list-style-type: none"> <li>✓ Cooperation in the development and implementation of operations</li> <li>✓ In addition, cooperation either in the staffing or the financing or both</li> </ul> </li> </ul> <p><b>Operational criteria</b> allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:</p> <ul style="list-style-type: none"> <li>- Structure, coherence and transparency of the operation work plan</li> </ul>	

- Correlation between defined problems, activities, objectives and operation indicators
- Operation communication and capitalisation strategy and activities
- Coherence of the budget with project work plan and value for money
- Structures and procedures set in place for the daily management of operations

**Sustainability criteria** allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:

- The project is expected to have a long lasting effect
- The project is having an added value, is building on previous activities, is not repeating exactly the same activities in the same area.
- The project is contributing to the horizontal issues (sustainable development, gender equality, etc.)

Detailed quality assessment criteria will be laid down and made available to applicants in call specific documents. The assessment will be conducted by qualified assessors, in line with the required expertise.

In case of strategic calls for proposals, the methodological framework for selection of strategic operations will include the following sets of criteria:

**Strategic criteria:**

- The Monitoring Committee considers an operation as strategic one
- The operation is considered to be crucial to realise the objectives of the CBC programme

**Relevance criteria:**

- Contribution to programme objectives and results, as defined by relevant specific objective
- Contribution to relevant programme indicators
- Coherence of planned activities and outputs with types and examples of actions and outputs, as per relevant priority axis
- Coherence of operation relevance to programme area challenges and needs addressed by specific objectives
- Coherence with relevant policies at different level
- Contribution to the requirement of operation delivering clear cross-border impacts and benefits.
  - ✓ Cooperation in the development and implementation of operations
  - ✓ In addition, cooperation either in the staffing or the financing or both

**Operational criteria** allow for assessing the quality of implementation with regard to the feasibility of applications as well as their value for money (invested resources in relation to results delivered). They can be summarised as follows:

- Structure, coherence and transparency of the operation work plan
- Correlation between defined problems, activities, objectives and operation indicators
- Operation communication and capitalisation strategy and activities
- Coherence of the budget with project work plan and value for money
- Structures and procedures set in place for the daily management of operations

**Sustainability criteria** allow for assessing the quality of sustainability factors such as added value or horizontal issues. They can be summarised as follows:

- The project is expected to have a long lasting effect

- The project is having an added value, is building on previous activities, is not repeating exactly the same activities in the same area.
- The project is contributing to the horizontal issues (sustainable development, gender equality, etc.)

**2.3.5.3. Planned use of financial instruments** (where appropriate)

(Reference: point (b) (iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Thematic priority</i>	TP 7 Competitiveness and SME development
<i>Planned use of financial instruments</i>	N/A
N/A	

## 2.4.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

### 2.4.6.1 Priority axis result indicators (programme specific)

**Table 3: Programme specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) <sup>5</sup>	Source of data	Frequency of reporting
PA 4	Increase in world ranking in ease of doing business	Number	BA 131; Croatia 89; Montenegro 44	2014	Increase for 2 in ranking per country	World Bank	Annually

<sup>5</sup> Target values may be qualitative or quantitative.



#### 2.4.6.2. Priority axis output indicators (common or programme specific)

**Table 4: Programme common\* and specific output indicators**

<b>ID</b>	<b>Indicator (<i>name of indicator</i>)</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
PA 4	Nr of cross-border business clusters or networks developed.	Number	16	Monitoring of operations (progress reports)	Annually
PA 4	Nr of people educated (entrepreneurs).	Number	1600	Monitoring of operations (progress reports)	Annually
PA 4	Nr of business support institutions supported.	Number	33	Monitoring of operations (progress reports)	Annually
PA 4	Nr of enterprises cooperating with research institutions*	Number	10	Monitoring of operations (progress reports)	Annually
PA 4	Nr of enterprises receiving non financial support*	Number	60	Monitoring of operations (progress reports)	Annually
PA 4	Nr of new enterprises supported*	Number	16	Monitoring of operations (progress reports)	Annually
PA 4	Nr of enterprises supported to introduce new to the market products*	Number	12	Monitoring of operations (progress reports)	Annually

\*Common output indicators

## 2.4.7. Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

**Tables 5-8: Categories of intervention**

<b>Table 5: Dimension 1 Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 4	063 Cluster support and business networks primarily benefiting SMEs	
PA 4	066 Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	
PA 4	067 SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	
PA 4	072 Business infrastructure for SMEs (including industrial parks and sites)	
PA 4	073 Support to social enterprises (SMEs)	
PA 4	082 ICT Services and applications for SMEs (including e-Commerce, e-Business and networked business processes), living labs, web entrepreneurs and ICT start-ups)	
PA 4	075 Development and promotion of tourism services in or for SMEs	
PA 4	077 Development and promotion of cultural and creative services in or for SMEs	

<b>Table 6: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 4	01 Non-repayable grant	10.000.000,00

<b>Table 7: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA 4	01 Large Urban areas (densely populated > 50 000 population)	

PA 4	02 Small Urban areas (intermediate density > 5 000 population)	
PA 4	03 Rural areas (thinly populated)	

Table 8: Dimension 6 Territorial delivery mechanisms		
Priority axis	Code	Amount (EUR)
PA 3	07 Not applicable	

**2.4.8. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Priority axis</i>	PA 4
N/A	

## Section 2.5 Description of the priority axes for technical assistance

(Reference: point (c) of Article 8(2) of Regulation (EU) No 1299/2013)

### 2.5.1 Priority axis

<i>ID</i>	PA5
<i>Title</i>	Technical Assistance

### 2.5.2 Fund and calculation basis for Union support

<i>Fund</i>	ERDF
<i>Calculation Basis (total eligible expenditure or public eligible expenditure)</i>	85%
<i>Justification of the calculation basis choice (only if total eligible expenditure basis selected)</i>	

### 2.5.3. The specific objectives of the priority axis and the expected results

(Reference: points (c)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

**Specific objective** (repeated for each specific objective)

<i>ID</i>	PA5	<2B.1.1 type='N' maxlength='5' input='G'>
<i>Specific objective</i>	To manage and implement the Cooperation Programme effectively and efficiently	<2B.1.2 type='S' maxlength='500' input='M'>
<i>Results that the partner States seek to achieve with Union support</i> <sup>6</sup>	<p>The following result is expected:</p> <p>An effective and efficiently managed and implemented cooperation programme</p> <p>To manage and implement the cooperation programme of Croatia – Bosnia-Herzegovina – Montenegro effectively and efficiently means that the EU funding has been used efficiently (high absorption capacity) for high quality projects which contribute to the objectives of the programme.</p> <p>In order to deliver this result and achieve the specific objective, <i>support structures</i> such as the Joint Secretariat, Joint Monitoring Committee, etc need to be established together with the development of tools and activities at programme level.</p> <p>This should enable the programme management bodies to <i>make informed decisions and give effective steering to the</i></p>	<2B.1.3 type='S' maxlength='3500' input='M'>

<sup>6</sup> Required where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

	<p><i>implementation</i> of cooperation programme and to the strategic course of the programme.</p> <p>Tools and activities include an effective <i>operation generation and selection</i> system that leads to manageable numbers of applications of good quality and programme relevance with a realistic change of approval.</p> <p>Additionally it is necessary to provide adequate <i>support and facilities to the actors</i> involved in the funded trilateral or bilateral cooperation operations enabling them to perform their planned activities in an efficient way.</p> <p>It also requires a <i>monitoring and control system</i> that provides adequate insight in the regularity and quality of the supported actions with as <i>little administrative burden</i> to beneficiaries and programme bodies as possible. This contributes to assuring that the outputs and results of supported actions are relevant and that there is a proper use of community funding distributed by the programme.</p> <p>Key to achieving the results will also be the development of suitable channels and activities for the <i>communication, dissemination and application of the results</i> of cooperation operations.</p>	
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**2.5.4. Actions to be supported and their expected contribution to the programme implementation**

<i>Priority axis</i>	PA5 Technical Assistance
<p>The Technical Assistance priority will support a range of activities and tools that are instrumental to achieving the specific objective of this priority. These include following types of activities:</p> <p><b>a) Establish and manage Joint Secretariat:</b>  PA5 main activity to be implemented is setting up and Joint Secretariat securing its functioning together with the info points in 2 partner countries. Technical Assistance will finance it works but also certain activities undertaken by the Managing Authority and Certifying Authority.  The Joint Secretariat will consist of a professional team of staff with relevant skills and competences needed for the management, content delivery, financial and communication tasks related to implementing this trilateral program between one member state and 2 IPA countries. Staffing and equipping this Joint Secretariat is a core part of the Technical Assistance budget expenditure.</p> <p><b>b) Programme management and steering</b></p>	

- Organisation, preparation and facilitation of meetings of the programme bodies,
- Evaluations, analysis and studies related to the delivery of the programme in support of the continuous improvement of its management and implementation.

**c) Monitoring, control and reporting**

- Installing and operating a IT system for programme management, monitoring, audit and control.
- Providing guidance and support to ensure adequate control of the programme actions at all levels (partners, controllers, Partner State bodies responsible for first level controller approbation) e.g. through seminars, guidance documents and advice.
- Coordinating and organising of programme level audit activities, including the (external) audits on operations and supporting the Group of Auditors.
- Regular reporting to the European Commission on progress of the programme.

**d) Operation generation and selection:**

- Developing application forms, calls for proposals/terms of reference and guidance documents for potential operation applicants.
- Providing assistance and advice to potential applicants in the process of developing their operation application, e.g. through seminars, bilateral and trilateral consultations and contacts, partner search forums, etc.
- Performing quality assessments of applications for operations.

**e) Support to the actors involved in the cooperation operations**

- Providing tools and guidance documentation (manuals, supporting operation beneficiaries implement their operation).
- Providing assistance and advice to lead partners and partners on the implementation of their operation e.g. through seminars on implementation procedures, first level control seminars etc.
- Participating in operation related meetings and events and performing “on-the-spot visits” to operations to address operation progress, outputs and results as well as obstacles in the implementation.

**f) Communication, dissemination and promotion**

- Continuous development of the programme website.
- Creation and printing of programme information and publications.
- Organisation of events to generate interest for participation in the programme, showcase and disseminate results of the programme supported actions to professional audiences and the wider public and facilitate inter-operation interaction and cooperation.

In addition to the activities and programme bodies described above, the Programme may decide to use Technical Assistance funding to contribute to activities carried out by the participating countries.

### 2.5.5. Programme specific indicators<sup>7</sup>

<sup>7</sup> Required where objectively justified by the given the content of the actions and where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

### 2.5.5.1 Programme specific result indicators

(Reference: point (c)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

**Table 9: Programme-specific result indicators**

<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Baseline value</b>	<b>Baseline year</b>	<b>Target value<sup>8</sup> (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
PA5	Share (%) of total programme budget absorbed	%	0	2014	100%	Monitoring Reports / AIR	Annually
PA5	Share (%) of achieved planned outputs.	%	0	2014	90%	Monitoring Reports / AIR	Annually

### 2.5.5.2 Programme specific output indicators expected to contribute to results

(Reference: point (c)(iv) of Article 8(2) of Regulation (EU) No 1299/2013)

**Table 10: Programme specific output indicators**

<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023) (optional)</b>	<b>Source of data</b>
PA5	Number of Joint Secretariat staff recruited	Number	10	AIR
PA5	Number of Monitoring Committee meetings	Number	10	AIR
PA5	Number of training & information events for potential final beneficiaries	Number	9	AIR
PA5	Number of people trained on programme related issues	Number	360	AIR
PA5	Number of operation proposals assessed	Number	240	AIR
PA5	Number of operations approved	Number	105	AIR
PA5	Number of on-the-spot visits carried out;	Number	5	AIR
PA5	Number of operation monitoring reports drafted;	Number	210	AIR
PA5	Number of relevant	Number	3	AIR

<sup>8</sup> The target values can be qualitative or quantitative.

	studies/survey carried out;			
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### 2.5.6. Categories of intervention

(Reference: point (c)(v) of Article 8(2) of Regulation (EU) No 1299/2013)

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of Union support.

#### Tables 11-13: Categories of intervention

<b>Table 11: Dimension 1 Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA5	121 Preparation, implementation, monitoring and inspection	2 500 000
PA5	122 Evaluation and studies	500 000
PA5	123 Information and communication	2 000 000

<b>Table 12: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA5	07 Not applicable	5 000 000

<b>Table 13: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
PA5	07 Not applicable	5 000 000



## Section 2.6 Overview table of indicators per priority axis and thematic priority

**Table 14: Table of common and programme specific output and result indicators**

Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
PA 1	Employment, labour market, social inclusion, health	1.1.To improve facilities for employment by developing capacities and skills of the programme area	Increase in number of people employed in the programme area	<ul style="list-style-type: none"> <li>- Number of participants in joint local employment initiative and joint training</li> <li>- Number of cross border networks supported</li> <li>- Number of joint visibility/promotional events organized</li> <li>- Number of social enterprises established in the programme area</li> <li>- Nr of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across the border</li> </ul>

		1.2. To improve services in the area of public health and social welfare sector	% of institutions providing improved health care or social care services	- Population covered with improved health services
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Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
PA 2	Environment, climate change, risk prevention	2.1. To promote and improve environment and nature protection through natural resources protection and management systems for risk prevention	Number of km <sup>2</sup> covered by improved management systems for risk prevention in programme area	<ul style="list-style-type: none"> <li>- Nr of awareness rising campaigns organised</li> <li>- Nr of joint environmental management initiatives (plans) developed and implemented</li> <li>- Nr of joint environmental management initiatives (plans) developed and implemented</li> <li>- Nr of public companies - service providers on water supply, waste water treatment and solid waste with improved procedures and operations</li> <li>- Population benefiting from flood protection measures</li> <li>- Population benefiting from forest fire protection measures</li> <li>- Surface area of habitats supported in order to attain a better conservation status (km<sup>2</sup>)</li> </ul>
		2.2. To promote and enhance utilization of renewable energy resources and strengthen energy efficiency	Increase % share of energy collected through renewable resources in	- Additional capacity of renewable energy production

			total energy collected in the programme area	
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<b>Priority axis</b>	<b>Thematic priority</b>	<b>Specific objective(s)</b>	<b>Selected results indicators</b>	<b>Selected output indicators</b>
PA 3	Tourism, cultural and natural heritage	3.1. To strengthen and diversify the tourism offer	Increase in number of tourist overnights in programme area	<ul style="list-style-type: none"> <li>- Nr of joint tools/interventions developed</li> <li>- Nr of tourism providers with (international) certifications and standards</li> <li>- Nr of joint tourism offers developed and promoted</li> <li>- Nr of people trained or coached in tourism sector</li> <li>- m2/km of new/improved tourist infrastructure in the programme area</li> </ul>
		3.2. To enable a better management and sustainable use of the cultural and natural heritage	Number of improved cultural and natural heritage sites	- Increase in expected number of visits to supported sites of cultural and natural heritage and attractions

<b>Priority axis</b>	<b>Thematic priority</b>	<b>Specific objective(s)</b>	<b>Selected results indicators</b>	<b>Selected output indicators</b>
PA 4	Competiti	4.1.To enhance	Increase in	- Nr of cross-border business

	veness and SME development	institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	world ranking in ease of doing business	clusters or networks developed <ul style="list-style-type: none"> <li>- Nr of people educated (entrepreneurs).</li> <li>- Nr of business support institutions supported.</li> <li>- Nr of enterprises cooperating with research institutions</li> <li>- Nr of enterprises receiving non financial support</li> <li>- Nr of new enterprises supported</li> <li>- Nr of enterprises supported to introduce new to the market products</li> </ul>
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**SECTION 3 FINANCING PLAN – NOTE THAT INDICATIVE AMOUNTS ARE PRESENTED IN THIS SECTION**

(Reference: point (d) of Article 8(2) of Regulation (EU) No 1299/2013)

**3.1 Financial appropriation from the IPA (in EUR)**

(Reference: point (d)(i) of Article 8(2) of Regulation (EU) No 1299/2013)

**Table 15**

<b>Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
IPA								50.000.000,00

### 3.2.1 Total financial appropriation from the IPA and national co-financing (in EUR)

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

1. The financial table sets out the financial plan of the cooperation programme by priority axis.
2. The financial table shall show for information purposes, any contribution from third countries participating in the cooperation programme (other than contributions from IPA and ENI)
3. The EIB<sup>9</sup> contribution is presented at the level of the priority axis.

**Table 16: Financing plan**

Priority axis	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a)/(e) (2)	For information	
				National Public funding (c)	National private funding (d) (1)			Contributions from third countries	EIB contributions
<i>Priority axis 1</i>	7.500.000,00	7.500.000,00	1.125.000,00	1.125.000,00		8.625.000,00	85%		
<i>Priority axis 2</i>	12.500.000,00	12.500.000,00	1.875.000,00	1.875.000,00		14.375.000,00	85%		
<i>Priority axis 3</i>	15.000.000,00	15.000.000,00	2.250.000,00	2.250.000,00		17.250.000,00	85%		
<i>Priority axis 4</i>	10.000.000,00	10.000.000,00	1.500.000,00	1.500.000,00		11.500.000,00	85%		
<i>Priority axis 5</i>	5.000.000,00	5.000.000,00	750.000,00	750.000,00		5.750.000,00	85%		
<b>Total</b>	<b>50.000.000,00</b>	<b>50.000.000,00</b>	<b>7.500.000,00</b>	<b>7.500.000,00</b>		<b>57.500.000,00</b>	<b>85%</b>		

<sup>9</sup> European Investment Bank

- (1) To be completed only when priority axes are expressed in total costs.
- (2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

### 3.2.2 Breakdown by priority axis and thematic priority

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

**Table 17**

Priority axis	Thematic priority	Union support	National counterpart	Total funding
Priority axis 1	7.500.000,00	7.500.000,00	1.125.000,00	8.625.000,00
Priority axis 2	12.500.000,00	12.500.000,00	1.875.000,00	14.375.000,00
Priority axis 3	15.000.000,00	15.000.000,00	2.250.000,00	17.250.000,00
Priority axis 4	10.000.000,00	10.000.000,00	1.500.000,00	11.500.000,00
Priority axis 5	5.000.000,00	5.000.000,00	750.000,00	5.750.000,00
<b>TOTAL</b>	<b>50.000.000,00</b>	<b>50.000.000,00</b>	<b>7.500.000,00</b>	<b>57.500.000,00</b>

## **SECTION 4 INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT (WHERE APPROPRIATE)**

(Reference: Article 35 (2) of IPA II Implementing Regulation and Article 8(3) of Regulation (EU) No 1299/2013)

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme and showing how it contributes to the accomplishment of the programme objectives and expected results

N/A

### **4.1 Community-led local development (where appropriate)**

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

(Reference: Article 35 (2) of IPA II Implementing Regulation and point (a) of Article 8(3) of Regulation (EU) No 1299/2013)

N/A

### **4.2 Integrated Territorial Investment (ITI) (where appropriate)**

Approach to the use of Integrated Territorial Investments (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis

(Reference: Article 35 (2) of IPA II Implementing Regulation and point (c) of Article 8(3) of Regulation (EU) No 1299/2013)

N/A

**Table 18: Indicative financial allocation to ITI (aggregate amount)**

Priority axis	Indicative financial allocation (Union support) (EUR)
Priority Axis 1	N/A
Priority Axis 2	N/A
Priority Axis 3	N/A
Priority Axis 4	N/A
Priority Axis 5	N/A
TOTAL	

**4.4 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant partner States and taking into account, where applicable, strategically important projects identified in those strategies (where appropriate)**

**(Where partner States and regions participate in macro-regional and/or sea basin strategies)**

(Reference: point (d) of Article 8(3) of Regulation (EU) No 1299/2013)

. <4.4.1.2 type='S' maxlength='7000' input='M' >

**Note: still to be revised by the end of Programme preparation procedure**

The IPA CBC programme Croatia-Bosnia and Herzegovina-Montenegro (Programme) shares entire part of its programme area with two EU macro-regional strategies, European Union Strategy for the Danube Region and European Union Strategy for the Adriatic-Ionian Region. Taking into consideration its geographical coverage, the Programme can take part in creating and consolidating links, therefore actively contributing to territorial cohesion between the Programme and the strategies. This will provide platform for Programme operations to contribute to the implementation of both macro-regional strategies and also to trigger synergies between them. Furthermore,



coordination of operations working within the same thematic areas will further support the collaboration between the Programme and both strategy regions' stakeholders.

The Programme strategy has taken into account the objectives of both macro-regional strategies, identifying common macro-regional challenges and needs that could be addressed through cross-border cooperation in the Programme area.

A summary of key challenges and needs of both macro-regional strategies that could be addressed through Programme cross-border cooperation is presented below.

#### ***EU Strategy for the Danube Region (EUSDR)***

Council of the European Union endorsed the European Union Strategy for the Danube Region on 11 April 2011. The *European Union Strategy for the Danube Region* builds upon 11 priority areas linked to the four pillars "Connecting the Danube Region", "Protecting the Environment in the Danube Region", "Building Prosperity in the Danube Region" and "Strengthening the Danube Region".

Challenges affecting the Danube Region that could be addressed by the IPA CBC programme Croatia-Bosnia and Herzegovina-Montenegro are presented as correlation between Programme objectives and priority areas of the strategy. In that way, the strategy challenge of sustainable energy, restoring and maintaining the quality of water, managing environmental risks and preserving biodiversity, landscapes and the quality of air and soils could be tackled through Programme Priority Axis 2 dealing with protecting the environment, improving risk prevention and sustainable energy production. The strategy challenges referring to developing the knowledge society through research, education and information technologies, supporting the competitiveness of enterprises, including cluster development and investing in people and skills are related to Programme Priority Axis 1 dealing with building efficient and effective labour market and Programme Priority Axis 4 dealing with enhancing competitiveness and development of business environment. Lastly, the strategy challenge referring to promoting culture and tourism and people-to-people contacts is in correlation with Programme Priority Axis 3 dealing with encouraging tourism, preserving cultural and natural heritage.

#### ***EU Strategy for the Adriatic and Ionian Region (EUSAIR)***

The European Council of 13-14 December 2012 requested the EC to present EU Strategy for the Adriatic and Ionian Region before the end of 2014. It will incorporate the Maritime Strategy for the Adriatic and Ionian Seas, which was adopted by the EC on 30 November 2012. The European Union Strategy for the Adriatic-Ionian Region will build on four pillars: "Driving innovative maritime and marine growth", "Connecting the Region", "Preserving, protecting and improving the quality of the environment" and "Increasing regional attractiveness". "Research, innovation and SMEs development", as well as "Capacity Building" are two cross-cutting aspects across those pillars.

Considering the stakeholder consultation outcomes, the European Union Strategy for the Adriatic-Ionian Region is expected to address challenges that will also be tackled by the IPA CBC programme Croatia-Bosnia and Herzegovina-Montenegro, more specifically, strategy pillar dealing with challenge of preserving, protecting and improving of the quality of the environment could be related to Programme Priority Axis 2 dealing with the environment protection, improving risk prevention and sustainable energy

production. Moreover, strategy pillar dealing with challenge of increasing regional attractiveness by supporting sustainable development of inland, coastal and maritime tourism and preservation and promotion of culture heritage is completely in line with Programme Priority Axis 3 dealing with encouraging tourism, preserving cultural and natural heritage. As for strategy cross-cutting aspects, "Research, innovation and SMEs development" and "Capacity Building", it is to be noted that capacity building is envisaged to be tackled through implementation of all Programme Axes, whereas research, innovation and SMEs development could be related to Priority Axis 4 dealing with enhancing competitiveness and development of business environment.

During Programme preparation, Managing Authority and partner countries ensured to involve relevant National Contact Points and Priority Areas Coordinators for both strategies in the process of programme planning. Thus, National Contact Points for European Union Strategy for the Adriatic and Ionian Region and Priority Areas Coordinators for the *European Union Strategy for the Danube Region* from the respective programme countries were invited to participate in the first round of public consultations/consultative workshops with stakeholders held in May 2014. Furthermore, when appropriate, National Contact Point and the deputy for European Union Strategy for the Adriatic-Ionian Region took active part at Task Force meeting held in June and July 2014.

## SECTION 5 IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

### 5.1 Relevant authorities and bodies

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

**Table 19: Programme authorities**

(Reference: point (a)(i) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Managing authority	Ministry of Regional Development and EU Funds of the Republic of Croatia - Directorate for Management of Operational Programmes	
Certifying authority, where applicable	Ministry of Regional Development and EU Funds of the Republic of Croatia - Directorate for Budget and IT Systems	
Audit authority	Agency for the Audit of European Unions Programmes Implementation System	

#### The body to which payments will be made by the Commission is:

(Reference: point (b) of Article 8(4) of Regulation (EU) No 1299/2013)

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<input checked="" type="checkbox"/> the certifying authority	<5.1.8 type type='C' input='M'>

**Table 20: Body or bodies carrying out control and audit tasks**

(Reference: points (a)(ii) and (iii) of Article 8(4) of Regulation (EU) No 1299/2013)

<b>Authority/body</b>	<b>Name of authority/body and department or unit</b>	<b>Head of authority/body (position or post)</b>
Body or bodies designated to carry out control tasks	<5.1.9 type='S' maxlength='255' input='M' >	<5.1.10 type='S' maxlength='255' input='M' >
Body or bodies designated to be responsible for carrying out audit tasks	<5.1.11 type='S' maxlength='255' input='M' >	<5.1.12 type='S' maxlength='255' input='M' >

## 5.2 Joint Monitoring Committee

**Table 21: Indicative list of Joint Monitoring Committee members**

<b>Name of authority/body and department or unit</b>	<b>Role in the programme</b>	<b>Contact details of the authority/body</b>
EU Commission	Advisory	
NIPAC	Decision	
National Authority - Croatia	Decision	
National Authority – Bosnia and Herzegovina	Decision	
National Authority - Montenegro	Decision	
Regional representatives - Croatia	Decision	
Regional representatives – Bosnia and Herzegovina	Decision	

Union of towns and Municipalities representative – Montenegro	Decision	
Macro-regional strategy representative (where the programme is overlapping a macro-region covered by an EU Strategy)	Consultative	
EIB	Consultative	
Other (as agreed by the partner countries)		

### 5.3 Procedure for setting up the joint secretariat

(Reference: point (a)(iv) of Article 8(4) of Regulation (EU) No 1299/2013)

In accordance with Article 23(2) of the ETC Regulation, the managing authority (MA), after consultation with the participating countries, shall set up the joint secretariat (JS) to support and assist the managing authority and the joint monitoring committee (JMC) in carrying out their respective functions. Joint secretariat shall also provide information to potential beneficiaries about funding opportunities under cooperation programme and shall assist beneficiaries in the implementation of operations.

JS will be hosted by the Agency for Regional Development of the Republic of Croatia.

Job profiles for each individual position within JS structure shall be confirmed by the national authorities of the participating countries. Job profiles shall be a part of the Description of the Management and Control System (DMCS) and are presented as Annex.

Procurement procedure as well as contracting shall be organized by the hosting agency under the supervision of MA. Selection of JS staff shall be done jointly by the participating countries that shall jointly make decision on selection of candidates.

### 5.4 Summary description of the management and control arrangements

(Reference: point (a)(v) of Article 8(4) of Regulation (EU) No 1299/2013)

The following section describes the implementation structure of the IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020. More detailed provisions will be included in the Description of the Management and Control System (DMCS), approved according to Article 124 of the CPR, and in the programme guidance

documents (application and implementation manuals, Control & Audit Guidelines) which will form integral part of the DMCS. Guidance documents shall be adopted by the JMC.

The programme language is English.

Croatia, Bosnia and Herzegovina and Montenegro, which are the participating states in the Programme, established a shared management system to manage, coordinate and supervise the implementation of the programme.

The programme management structure is illustrated in Annex.

#### *5.3.a Joint monitoring committee*

In accordance with Article 38 of the Commission Implementing Regulation no. 447/2014, the participating countries shall set up a joint monitoring committee within three months from the date of the notification to the Member State of the Commission's decision approving the cross-border cooperation programme.

The JMC shall review the overall effectiveness, quality and coherence of the implementation of all actions towards meeting the objectives set out in the cross-border programme, the financing agreements and the relevant strategy papers. It may make recommendations for corrective actions whenever needed. Articles 49 and 110 of Regulation (EU) No 1303/2013 concerning its functions shall also apply.

The JMC will adopt its rules of procedure in agreement with the MA in order to exercise its duties in accordance with the relevant regulations, CPR, ETC and Commission Implementing Regulation no. 447/2014. The rules of procedures will contain a detailed description of the composition, the functioning and tasks as well as the decision-making processes of the JMC.

Members of the JMC will represent the participating countries on policy and administrative level and thus ensure a transparent approach.

#### *Composition of the Joint monitoring committee*

In accordance with Article 38 of the Commission Implementing Regulation no. 447/2014, the JMC will be chaired by a representative of one of the participating countries or of the managing authority. The chair of the JMC will rotate every year and will be supported by the MA as co-chair to ensure continuity.

The composition of the JMC will be as follows, in line with Article 38 of the Commission Implementing Regulation no. 447/2014 and the partnership principle laid down in Article 5 of CPR:

- Up to five representatives from each of the participating countries
- The NIPAC and other relevant national authorities and bodies of the IPA II beneficiary
- A representative of the Commission shall participate in an advisory capacity
- Representatives of the MA and AA shall participate in an advisory capacity
- Where relevant, international financial institutions and other stakeholders, including civil society and private sector organisations may participate as to be specified in the rules of procedure of the JMC.
- The JS shall assist in meetings

In principle, decisions by the JMC shall be taken by consensus. Voting principles will be laid out in the rules of procedure of the JMC.

The JMC shall meet at least once a year. Additional meetings may also be convened at the initiative of one of the participating countries or of the Commission, in particular on a thematic basis. Decisions may also be taken through written procedure.

#### *Functions of the monitoring committee*

It will be the task of the JMC to steer the programme and to ensure the quality and effectiveness of its implementation. The JMC will carry out its functions in line with Article 49 and Article 110 of the CPR. The main functions of the JMC are listed in Annex.

#### *5.3.b Responsibilities of the participating countries*

National authorities of the participating countries will retain responsibility for the IPA CBC Programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020. The participating countries agree to apply the partnership principle as laid down in Article 5 of the CPR and to cooperate to find optimal solutions for the benefit of the whole cooperation area.

The list of responsible national authorities in the participating countries is provided in Annex.

According to Article 123(9) of the CPR, the participating countries shall lay down in writing rules governing their relations with the MA, CA and AA, the relations between such authorities, and the relations of such authorities with the Commission.

The participating countries will ensure that the management and control system for the programme is set up in accordance with the relevant specific rules and that the system functions effectively.

The participating countries will ensure that the programme bodies will be provided with all necessary and legally allowed information to carry out their responsibilities.

National authorities of the participating countries are responsible for setting up and ensuring efficient functioning of the control system, as well as all other relevant responsibilities, in line with Article 74 of the CPR.

Furthermore, national authorities are responsible for ensuring implementation of the decisions taken by the JMC.

The main responsibilities of the NA are listed in Annex.

#### *5.3.c Managing authority*

The MA of the programme is responsible for managing the cooperation programme in accordance with the principle of sound financial management.

Furthermore, in line with Article 125 of the CPR and Article 23 (1), (2), (4) and (5) of the ETC Regulation, the MA, assisted by the JS, is responsible for the management and implementation of the IPA CBC Programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020. The main functions of the MA are listed in Annex.

The MA, after consultation with the participating countries responsible for the programme, will set up the JS as provided for in chapter 5.3.

The MA shall in the implementation of its tasks, act in full accordance with Croatian

institutional, legal and financial provisions.

#### *5.3.d Certifying authority*

The CA of the programme is responsible to carry out the functions in line with Article 126 of CPR and Article 24 of ETC.

The main responsibilities of the CA are listed in Annex.

#### *5.3.e Audit authority*

The AA will carry out its functions in accordance with Article 127 and Article 25 of the ETC Regulation. The main functions of the AA are listed in Annex.

In line with Article 25(2) of the ETC regulation, the AA will be assisted by a group of auditors (GoA) comprising of representatives from responsible bodies of each participating country in the cooperation programme carrying out the above listed duties detailed in Article 127 of the CPR. The representatives have to be independent from the JMC members, the controllers designated according to Article 23(4) of the ETC Regulation and any operation's activities and finances. The GoA will be set up within three months of the decision approving the programme at the latest. It will draw up its own rules of procedure and will be chaired by the AA.

Where audits and controls are carried out by a body other than the AA, the AA shall ensure that such bodies have the necessary functional independence. The decision on the body carrying out the system audits and the checks on expenditure will be taken by the AA and the GoA during the process of designing the audit strategy of the programme.

The AA shall in the implementation of its tasks, act in full accordance with Croatian institutional, legal and financial provisions.

#### *5.3.f Joint secretariat*

Pursuant to Article 23(2) of the ETC regulation, and as provided for in chapter 5.3, a joint secretariat based in Zagreb, will be set up by the MA.

The JS will assist the MA and the JMC in carrying out their respective functions.

The JS undertakes the day-to-day implementation of the programme. In addition, JTS represents the programme on national, regional and local level. The JS is plays a crucial role as the interface between the programme bodies. The functions of the JS are listed in Annex.

The annual work plans and reports of the JS have to be approved by the JMC. The set-up and functioning of JS, including its activities, shall be funded from the TA budget in line with MA/JS work plans and reports to be approved by the MC annually. It is envisaged that JS will have 7 staff members.

Besides joint secretariat headquarters based in Croatia, antenna offices may be set in Bosnia and Herzegovina and Montenegro in order to ensure smooth and efficient programme implementation.

#### *5.3.i Project cycle*

##### *Application*

The IPA CBC programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020 aims for project generation and selection procedures that are both pro-active and



transparent. This section contains basic information regarding the procedures and arrangements for the generation and selection of operations.

Further information about the application and selection process will be available to potential applicants in separate documents (call-specific application documents).

The MA, with the support of the JS, launches official calls for proposals via relevant information channels such as the programme website as well as national channels (with the support of the NA's). Calls for proposals might have different characteristics, i.e. they might be open to all programme priorities or thematically targeted in response to changed framework conditions in the area and/or taking into consideration the progress of the programme implementation (also as follow-up of the independent programme evaluation).

According to the specific characteristics of each call for proposals, ad-hoc application procedures and templates will be developed and be part of the call-specific information and application package. It will be widely circulated and available from the programme and national websites. The information and application package will include the necessary guidance to assist partnerships in the preparation of their application.

Applications will be submitted to the MA/JS by the lead applicant.

#### *Assessment and selection of operations*

The selection of operations under IPA CBC programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020 is carried out in accordance to Article 39 of Commission Implementing Regulation (EU) No 447/2014 following a standardised assessment procedure. The methodological framework for selection of operations includes:

- a) eligibility check
- b) quality assessment consisting of 3 sets of predefined quality criteria.

#### *a) Eligibility check*

#### ***Eligibility criteria***

A set of eligibility criteria will be defined to ensure the accomplishment of formal requirements of submitted applications. The set of eligibility criteria will especially include the following:

- Submission of the application in due time
- Completeness of the submitted application documents
- Eligibility of partnership (at least two partners, one of whom shall be located in Croatia)
- No funding by other EU financial sources

#### ***Eligibility of partnership - definition of partners***

In the IPA CBC programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020 partners participating in operations shall be the following:

- a) National, regional and local public bodies/institutions (for example, institutes,

development agencies and similar)

- b) NGOs (for example, citizens associations, development agencies, local action groups, chambers, expert associations, etc)
- c) Educational institutions (for example universities, faculties, open universities, adult educational institutions, primary and secondary schools)
- d) Local and regional authorities
- e) Business support institutions
- f) Organisations responsible for providing social and health services
- g) Public /non-profit organisations including institutes, universities, colleges
- h) International organisations acting under the national law of one of the participating countries, with restrictions, under international law

Further details concerning participation in operations will be defined by the JMC in agreement with the MA and will be laid down in the call-specific application documents.

Any public support under this programme must comply with the state aid rules applicable at the point of time when the public support is granted.

#### ***Eligibility of partners - geographical eligibility***

As a basic principle, the IPA CBC programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020 selected operations shall involve beneficiaries from at least two participating countries, at least one of which shall be from a Member State.

An exception to the rule with regard to the location of partners is the case of those national public authorities/bodies which are competent in their scope of action for certain parts of the eligible area but which are located outside of the programme area (e.g. relevant ministries).

Furthermore, the Programme will mainly support cooperation activities between lead beneficiaries and project partners located in the whole eligible area of the participating countries.

In addition to the above, and in duly justified cases, MA may accept to finance the implementation of part of an operation that is implemented outside the programme area provided that the conditions set under Article 44(2) of the Commission Implementing Regulation no. 447/2014 are met.

#### ***b) Quality assessment***

Quality assessment consists of three (3) sets of quality assessment criteria meant to relate to the quality of an application and will be applied to those applications that have passed the eligibility check. Quality assessment criteria are designed to assess the compliance of applications with regard to the regular and targeted/strategic calls for proposals as laid down in Section 2 under the heading “Guiding principles for the selection of operations”.

External independent experts will undertake the quality assessment of applications which is then referred to the JMC for its decision. Modalities for the procedures and detailed eligibility and quality assessment criteria for operations funded by the Programme will be outlined in the call-specific application documents.

#### ***Quality of applications***

General horizontal quality requirements have to be followed, which are reflected in the quality assessment criteria. The strong result-oriented approach to be applied by the territorial cooperation programmes demands operations that deliver concrete and visible outputs and results in response to well-identified challenges of the programme area and addressing development needs in an integrated manner.

All operations receiving funds have to meet the following horizontal quality requirements:

- Cross-border relevance: the operation contributes to the chosen programme specific objective and addresses development needs and territorial challenges of the Programme that are shared by the partners participating in the operation and cannot be sufficiently addressed by individual partner alone. Moreover, joint solutions developed within an operation show a clear cross-border added value going beyond the mere addition of results independently achievable in the involved territories. Relevant policies shall be considered as well.
- Partnership relevance: the partnership involves at least two financing partners from two partner countries, at least one of them being located in Croatia. Partners are relevant bodies competent for the development, implementation and follow-up of outputs and results. The partnership should reflect the thematic focus of the operation. The partners are involved in a way that demonstrates the joint development and implementation of the operation. Additionally, they shall cooperate in either the staffing or the financing of operations
- Concrete and measurable results: operations are able to deliver results that directly contribute to the results expected at programme level for the concerned priority axis. Results are achieved through the development of suitable outputs within a cross-border context. Results must be relevant, visible and measurable, with a clear implementation orientation. Operations are required to provide precise descriptions of their main outputs and results in the application form. In defining their outputs and results, operations should build on previous and current experiences and knowledge, however developing novel solutions where appropriate and avoiding overlaps.
- Durable outputs and results: operations have to ensure that produced outputs and achieved results are durable and suitable to be continued, where appropriate, within other initiatives (e.g. policies, strategies, plans) and/or preparing investments to be financed with other sources (e.g. EIB or other financial institutions, EU mainstream programmes, national and regional funds) also beyond the territories involved in the operation. Operations should establish adequate links to the appropriate policy-making and/or territorial governance levels to ensure sustainability and continuity of results. Coherent approach: the approach for defining the work plan is overall coherent and transparent, showing a clear relation between inputs, outputs and results within a convincing timeframe.
- Sound project communication strategy: communication activities are to be in line with project objectives and appropriate to reach the relevant target groups and stakeholders with regard to communication of project results and their capitalisation.
- Effective management: the operation has clear, effective, efficient and transparent management and coordination structures and procedures.
- Sound budget: operations have to develop budgets reflecting the project design and demonstrating value for money coherent with the planned outputs and the expected

results, in line with the principles of sound financial management. The budget is consolidated at project level and partner contributions to the budget shall reflect the joint implementation of the operation.

As a general principle, applied across all priorities, the Programme is committed to sustainable development and promotion of equality between men and women and non-discrimination.

### *Contracting*

Following the decision of the JMC to approve applications recommended for funding following the technical quality assessment performed by the MA/JS, the MA drafts subsidy contracts using a standard template approved by the JMC. The template is developed in compliance with the applicable laws of the Republic of Croatia and the principles of the Ministry of Regional Development and EU Funds where the MA is. The subsidy contract is addressed to the lead beneficiary, appointed by the partnership in accordance to Article 40 of Commission Implementing Regulation no. 447/2014, and is signed by the legal representative of the lead beneficiary institution and by the MA representing the Ministry of Regional Development and EU Funds.

The subsidy contract lays down all the necessary conditions for support of the operation, in particular:

- Legal framework
- The object of use (approved work plan, eligible budget, maximum IPA funding, including the maximum IPA amount allocated to partners located outside the eligible area – if applicable, start and end date of implementation, closure of the operation)
- If applicable, specific requirements concerning the products or services to be delivered under the operation
- General conditions for eligibility of costs
  - Changes and budget flexibility thresholds
  - Procedure related to requests for payments, reporting requirements and deadlines for submission of progress reports
  - Rights and obligations of the LP including, if applicable, special provisions in case of private LP
  - Validation of expenditure and audit of operations
  - Necessary accounting documentation and indication of the archiving period of all project-related supporting documents, with specification of the periods to be respected in case aid has been granted under the *de minimis* regime
  - Procedure for recovery of unjustified expenditure
  - Publicity, ownership (including dissemination rights) and generation of revenues
  - Assignment, legal succession and litigation
  - Liability clauses
  - Respect of environmental legislation

The approved application documents, including the final approved application form and

the communication of the approval decision by the JMC will form an integral part of the subsidy contract.

### *Monitoring*

The monitoring of the Programme will provide project-specific technical and financial information on the progress of the programme towards its goals. Monitoring will ensure the quality and effectiveness of implementation by assessing the progress of operations making use of periodic and final reports submitted by the project lead beneficiaries on behalf of their partnerships.

The lead beneficiary will periodically present activity and financial progress reports to the JS and MA. The lead beneficiary will report on progress achieved by the project partnership and related eligible expenditure. The submission of the activity and financial progress reports will be in line with the requirements set out in Article 122(3) of the CPR. The JS will check the compliance of the submitted reports with the approved application. Data stemming from these reports are recorded and stored in the programme e-Monitoring System (eMS) in compliance with Article 125(2) of the CPR and as detailed in 5.3.k *Computerised exchange of data*.

The eMS provides the data on operations to be communicated to the EC as required by Article 112 and Article 50 of the CPR.

During the monitoring of the activity section of the progress reports, the JS verifies the existence of the operation by analysing outputs delivered.

### *Financial control system*

Reliable accounting, monitoring and financial reporting systems will be established, ensuring that accounting records of each operation are recorded and stored and that data necessary for financial management, monitoring, verifications, audits and evaluation are suitably managed.

In line with Article 125(4) and 125(5) of the CPR as well as Article 23(4) of the ETC Regulation, each participating country shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory and the compliance of such expenditure and of related operations or parts of those operations with Community rules, programme rules and its national rules.

The independent audit body providing a report and an opinion on the designation procedure according to Article 124 of the CPR shall give an unqualified opinion on the fulfilment of the criteria relating to the internal control environment, risk management, management and control activities, and monitoring as set out in Annex XIII of ETC regulation.

For this purpose, each participating country shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each lead beneficiary and partner participating in the operation located on its territory. The designated controllers shall aim at submitting a signed certificate to the LP/PP within three months after the end of the reporting period.

The identification of the controllers in each participating country shall be made on the basis of the centralised control system. Furthermore, the MA will collect information from all participating countries on the set-up and functioning of the control systems by means of standardised questionnaires. The information of the questionnaires shall be

included in the DMCS (Description on Management and Control System) on programme level in accordance with Articles 72 and 74 of the CPR.

Each participating country shall ensure that the MA/JS is regularly informed on the control system set-up by each participating country and of any changes thereto.

All details on responsibilities and procedures related to financial control will be laid out in the DMCS. To ensure smooth functioning of the financial control system in the participating countries, the designated controllers will be organised in a network of financial controllers which will be coordinated by the MA. The network will meet regularly.

In order to verify the effective functioning of the control systems set in place by the participating countries, a number of controls are carried out by the MA with the assistance of the JS. This is done in particular through:

- Verification of the existence of the operation
- Plausibility checks of expenditure
- On-the-spot checks

In addition to the above mentioned controls, the MA, with the assistance of the JS, performs additional checks specifically addressed at the verification of the quality standards of the control systems set up by each participating country through:

- Verification of controller documents
- Quality review of system

#### *Reimbursement from the managing authority to the lead beneficiaries*

In accordance with Article 40 of Commission Implementing Regulation no. 447/2014, for each operation, project partners shall appoint a lead beneficiary. The lead beneficiary shall assume overall responsibility for the application and implementation of the entire operation, including the handling of IPA funds.

National co-financing for operations must be provided by the project partners according to their respective national mechanisms. Some activities under operations may be pre-financed by the project partners. Expenditure of all partners have to be validated by authorised national controllers.

The lead beneficiary collects the certificates of all project partners issued by their controllers and includes these in the above mentioned periodic activity and financial progress reports to the MA/JS. In these documents, the lead beneficiary reports on progress achieved by the project partnership and on related eligible and validated expenditures.

Based on checks of the reports undertaken by the JS and in accordance with Article 21(2) of the ETC Regulation and Article 132 of the CPR, the MA shall make payments to the lead beneficiary who is responsible for transferring the IPA contribution to the partners participating in the operation.

In accordance with Article 80 of the CPR, amounts set out in the programme submitted by Member States and statements of expenditure shall be denominated in Euro. All payments to lead beneficiaries will be made in Euro.

Financial flows are illustrated in Annex.



### *Resolution of complaints*

The procedures set in place for the resolution of complaints are differentiated according to the object of the complaint.

Complaints related to assessment and selection:

Project lead applicants will be informed in writing about the reasons why an application was not eligible or approved. Any complaint related to the assessment shall be submitted by the lead applicant to the MA/JS that, in collaboration with the JMC, will examine and provide its position regarding the merit of the complaint. The JMC may also set up a task force or a sub-committee to deal with complaints.

Complaints related to decisions made by the MA/JS during project implementation:

Any complaints in relation to decisions made by the MA/JS during project implementation on the basis of the subsidy contract or MC decisions shall be submitted by the project lead beneficiary to the MA/JS that will examine and provide an answer (in collaboration with the JMC if necessary).

Complaints related to the national control system:

Project lead beneficiaries or partners that have complaints related to the national control system set up in accordance with Article 23(4) of the ETC Regulation, can file a complaint to the national control coordination body of the relevant participating country following national procedures set in place in accordance with Article 74(3) of the CPR. National authorities may set up a working groups for irregularities related to antional control system.

Further information on the procedure for the submission of complaints will be laid down in the relevant programme documents communicated to applicants and beneficiaries.

#### *5.3.i Annual and final implementation reports*

In accordance with Article 50 of the CPR and Article 14 of the ETC Regulation, the MA will submit an annual report to the Commission for the first time in 2016 and by 31 May in each subsequent year until and including 2023. For reports submitted in 2017 and 2019, the deadline shall be 30 June. The annual reports are to be drafted by the MA/JS on the basis of data provided by the operations through the progress and final reports. Programme annual reports are to be approved by the JMC before they are sent to the Commission .

A final implementation report will be submitted to the Commission in due time following the same procedures as the annual reports.

#### *5.3.j Programme evaluation*

The programme has been subject to an ex-ante evaluation of independent evaluators with the aim to improve programme quality and to optimise the allocation of budget resources. The recommendations of this evaluation have been taken into account during the drafting of this programme as described in Annex.

In accordance with Article 56 of the CPR, the MA will draw up an evaluation plan which will be approved by the JMC in line with provisions as laid down in Article 110(2)(c) of the CPR.

In accordance with Article 56 of the CPR, evaluations will be carried out to assess the effectiveness, efficiency and impact of the programme. During the programming period,

evaluation will assess how support from the funds has contributed to the objectives for each priority and also the territorial coverage of the programme area. All evaluations, recommendations and follow-up actions will be examined and approved by the JMC.

In compliance with Article 57 of the CPR, the ex-post evaluation lies in the responsibility of the European Commission together with the participating countries.

### *5.3.k Computerised exchange of data*

#### Monitoring System

As stipulated in Articles 74 and 112 of CPR, data exchange with the EC will be carried out electronically (by means of SFC2014).

On the side of the programme, the monitoring system according to Article 72 of CPR shall provide data and information needed to fulfil management, monitoring and evaluation requirements.

In accordance with Article 122 of CPR, the IPA CBC Programme Croatia – Bosnia and Herzegovina – Montenegro 2014-2020 will ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and the MA/CA and AA can be carried out by means of an electronic data exchange system (e-MS).

The e-MS will comply with the following aspects:

- data integrity and confidentiality
- authentication of the sender within the meaning of Directive 1999/93/EC4
- storage in compliance with retention rules defined in Article 140 of CPR
- secure transfer of data
- availability during and outside standard office hours (except for technical maintenance activities)
- accessibility by the MSs and the beneficiaries either directly or via an interface for automatic synchronisation and recording of data with national, regional and local computer management systems
- protection of privacy of personal data for individuals and commercial confidentiality for legal entities with respect to the information processed (according to Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Directive 1995/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data).

In order to transfer data to the EC, the administration system of the e-MS shall facilitate interoperability with the Union frameworks as required by Article 122 (3) of the CPR.

The computer system used shall meet accepted security and reliability standards. Accepted procedures that ensure reliability of the accounting, monitoring and financial reporting information in computerised form will be implemented.

### *5.3.l Contribution of the Member States to the financing of technical assistance*

On the programme level, the TA is jointly financed by the participating countries participating in the programme. In accordance with Article 35 of the Commission Implementing Regulation no. 447/2014, TA is financed by a maximum of 10% of the total IPA amount allocated to the programme. The TA amount will be co-financed by the



participating countries in the programme. Details on the TA budget are laid out in **Section 3**.

Each participating country shall transfer its national co-financing share for TA to the account of the MA.

National co-financing of the TA budget is provided as advance payment starting with 2015 at the latest, on a yearly basis. Any expenditure from an approved activity implemented by participating country, qualified to be financed by TA, needs to be verified by the participating countries concerned prior to reimbursement from the TA account.

A report on the payment situation shall be given by the MA to the JMC on a regular basis. Use of interest raised by IPA and ex-ante national contributions bank accounts, will be subject to an JMC decision.

Further technical and financial details will be laid out in the **TA Manual**.

### *5.3.m Information and communication*

In line with Articles 115 and 116 of the CPR, a communication strategy will be drafted and submitted to the JMC no later than 6 months after the adoption of the programme to ensure transparency towards and information of relevant partners and stakeholders.

The strategy will define specific communication objectives, target audiences, messages as well as tactics and tools to support the achievement of wider programme goals. It will take into account detailed rules concerning information and communication measures as laid down in Article 115 and Annex XII of the CPR. The strategy will be valid for the whole programming period, complemented by annual work plans. All programme and project communication activities might be branded consistently to a harmonised branding introduced on a voluntary basis by ETC/IPA programmes for the 2014-2020 period.

The overall responsibility for communications rests with the MA together with the JS. However, at national and regional levels, the NA plays a crucial role in complementing cross-border and European activities. Approved operations play in addition a key role in communicating project achievements on all levels.

The participating countries shall support the MA to ensure effective application of the information and publicity requirements by taking appropriate steps to disseminate information and provide publicity within their territory.

## **5.5 Apportionment of liabilities among partner States in case of financial corrections imposed by the managing authority or the Commission**

(Reference: point (a)(vi) of Article 8(4) of Regulation (EU) No 1299/2013)

Without prejudice to the participating country responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to Article 122(2) of the CPR, the managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead beneficiary. In accordance with Article 27 of the ETC Regulation, the project partners shall repay the lead beneficiary any amounts unduly paid.

If the lead beneficiary does not succeed in securing repayment from a project partner or if the managing authority does not succeed in securing repayment from the lead beneficiary, the participating country on whose territory the project partner concerned is located shall reimburse the managing authority the amount unduly paid to that project partner according to Article 27(3) of the ETC Regulation. The managing authority is responsible for reimbursing the amounts recovered to the general budget of the Union, in accordance with the apportionment of liabilities among the participating countries as laid down below. The MA will reimburse the funds to the Union once the amounts are recovered from the LP/PP/MS.

Should the MA bear any legal expenses for recovery recourse proceedings – initiated after consultation and in mutual agreement with the respective PC - even if the proceedings are unsuccessful it will be reimbursed by the PC hosting the LP or PP responsible for the said procedure.

Since participating countries have the overall liability for the IPA support granted to LPs or PPs located on their territories, they shall ensure that – prior to certifying expenditure – any financial corrections required will be secured and they shall seek to recover any amounts lost as a result of an irregularity or negligence caused by a beneficiary located in their territory. Where appropriate a PC may also charge interest on late payments.

In accordance with Article 122(2) of the CPR, irregularities shall be reported by the PC in which the expenditure is paid by the lead beneficiary or project partner implementing the project. The participating country shall, at the same time, inform the managing authority and the audit authority. Specific procedures in this respect will be laid down in the agreement between the managing authority and the PC and will also be part of the description of the management and control system.

The participating country will bear liability in connection with the use of the programme IPA funding as follows:

Each PC bears liability for possible financial consequences of irregularities caused by the lead beneficiaries and project partners located on its territory

For a systemic irregularity or financial correction on programme level that cannot be linked to a specific PC, the liability shall be jointly borne by the PC in proportion to the IPA claimed to the European Commission for the period which forms the basis for the financial correction

For technical assistance expenditure incurred by the managing authority, the liability related to administrative irregularities shall be borne by the Managing Authority.

For the technical assistance expenditure incurred by the PC the liability shall be borne by the PC concerned.

## **5.6 Use of the Euro** (where applicable)

(Reference: Article 28 of Regulation (EU) No 1299/2013)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

In accordance with Article 28 of the ETC Regulation, expenditure incurred by project partners in countries which are outside the Euro zone, shall be converted into euro. The conversion is to be made by the beneficiaries by using the monthly accounting exchange rate of the European Commission in the month during which the expenditure was incurred.

## **5.7 Involvement of partners**

(Reference: point (c) of Article 8(4) of Regulation (EU) No 1299/2013)

**Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the Joint Monitoring Committee**

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## SECTION 6 HORIZONTAL PRINCIPLES

(Reference : Article 8(7) of Regulation (EU) No 1299/2013)

### 6.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

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Sustainable development is one of the key issues for the programme area as is described in the cooperation programme's strategy. This trilateral program with its territory rich in natural and cultural resources has a vast potential to improve the cross-border environmental protection, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management. And there is also a strong need for this improvement as has been identified in the situation analysis and SWOT.

Therefore the largest budget is reserved for Priority Axis 2, which is completely focused on sustainable development. Priority 2 is not only focusing on biodiversity and environmental protection, risk prevention and risk management and improved management of water, waste and waste treatment but also on energy efficiency and renewable energy. Operations will have to show clearly how they contribute to the results indicators of Priority Axis 2

- % of hotspots with remediation plans in use
- km2 covered by improved management systems
- % Increase of energy collected through renewable resources in total energy collected in 3 countries

Furthermore sustainable development is addressed in all four Priority Axes. Operations will have to indicate in the application form how they contributed to sustainable development. This will enable the programme to monitor if:

- 75 % of operations is positively contributing to sustainable development
- 20 % of operations is having its main focus on sustainable development

Questions that will be part of the selection process, where appropriate, are:

- For all Priority Axes: to what extent is the operation contributing to the realization of the EU2020 goals of sustainable development (e.g. decrease of greenhouse gas emissions, the increase in energy efficiency and in renewable energy production)?
- To what extent will the operations stimulate a sustainable development?

- For Priority Axis 1 - which focuses on enhancing efficient and effective labour market, social inclusion and improved healthcare – this could be for example through an increase in green jobs, supporting green entrepreneurship and green business principals in general, incorporating elements of sustainability in healthcare and other social sector interventions.
- For Priority Axis 2 – which focuses on protecting the environment, improve risk prevention and sustainable energy production - all operations will have to address sustainable development, e.g. through environmental protection, energy efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management.
- For Priority Axis 3 – which focuses on encouraging tourism and preserving cultural and natural heritage – this could for example be through clearly sustainable tourism operations which are not only stimulating economic development but also clearly protecting the cultural and/or natural heritage and/or the environment.
- For Priority Axis 4 – which focuses on enhancing competitiveness, business environment and the development of small and medium-sized enterprises – this could be for example through green entrepreneurship, business focused on sustainable development, preventions of investments with considerable negative environmental and climate effects and overall sustainability of the investment.

## 6.2 Equal opportunities and non-discrimination

Description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities.

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Equal opportunities and non-discrimination has been and will be promoted through the following actions:

- **Programming:** In the situation analysis and SWOT the needs of various target groups, such as vulnerable groups have been identified as a core issue of the programme area with special emphasis on their socio-economic situation. Especially Priority Axis 1 is strongly rooted in principle of equal opportunities and non-discrimination giving special attention to vulnerable groups and improvement of their employability, networking between different stakeholders directly decreasing their social exclusion, supporting them with educational programmes and possibilities of self-employment but especially giving boost to social entrepreneurship and its development. By working on improvement in services in the area of public health and social welfare sector programme will

have positive impact in decreasing discrimination and providing equal opportunities with specific actions. This will ensure that there are specific operations focused on promoting equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

- Programming and monitoring: The members of the Task Force for the development of the cooperation programme have been selected on basis of the equal opportunity and non-discrimination principle. Adequate consideration of equal opportunities and non-discrimination issues was ensured through workshops and Task Force meetings with inviting and consulting all relevant representatives of these groups. This will also be applied to the Monitoring Committee by integrating it in the Rules of Procedure.
- Monitoring and reporting: All operations of all four Priority Axes will have to demonstrate in the application form how they intend to contribute to the equal opportunities and non-discrimination, either through operation staff or focus of the topic on equal opportunities and non-discrimination. This will enable the programme to monitor and report if :
  - 75 % of operations are positively contributing to equal opportunities and non-discrimination
  - 20 % of operations are having its main focus on equal opportunities and non-discrimination.

For Priority Axis 1 operations are requested to indicate how they contribute to the following output indicators:

- Nr of social enterprises established/improved in the programme area.
- Nr of public health institutions supported (promotional, educational and infrastructural)
- Nr of people trained on support services for vulnerable groups
- Nr awareness raising activities on services for vulnerable groups
- Nr of networks supported on providing better accessibility to social services.

For Priority Axis 2, 3 and 4 equal opportunities and non-discrimination are not the first priority. However also here operations can indicate to which extent they are ensuring accessibility for all (barrier free solutions and similar) and that inclusion is promoted in designing and implementing actions in relation to cultural varieties and ethnic richness of the programme area where actions incorporating celebration and promotion of multi-ethnicity will be encouraged. And especially Priority Axis 4 operations will be preferred with improvements and ideas in promotion and development of corporate social responsibility and social inclusion in SME sector.

- Evaluation: The evaluation of the programme will indicate how has been dealt with the equal opportunities and non-discrimination principle.

### 6.3 Equality between men and women

Description of the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

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Equality between women and men has been in focus throughout the entire programming process. Gender gap and gender mainstreaming were analyzed during the preparatory process results of which are visible in the situation analysis while principle as such was fully respected in the preparation of the programme. As one of the fundamental values of the European Union it is incorporated in this cooperation programme which has been designed in order to give equal access to all members of society and contribute to neutralize discrimination and provide equality.

Each operation supported under this programme will be asked to indicate how they intend to promote equality between men and women. This will enable the programme to report if:

- 50% of the operation team members is female.

The programme area will follow the description: “Gender mainstreaming in the operation approach means that objectives and results are defined in such a way that aspirations, wishes and needs of women and men are equally valued and favoured through the operation activities. Operations with a gender perspective contribute to the achievement of the policy goals of partner governments and the EC regarding women’s rights and gender equality. A development operation is a way of clearly defining and managing investments and change processes. Gender blind operations can change in a negative or positive way the existing gender relations; however they do not render accounts of the differentiated effects and impact on the lives of men and women, boys and girls.” *Mainstreaming gender equality through the operation approach Paper for EU Delegations Thera van Osch, EU Gender Advisory Services 2010*

In order to be fully in line with the EC recommendations in these areas operations supported under this cooperation programme will be gender sensitive in choosing their stakeholders; organizing coordination and managements, respecting gender perspective when organizing human resources.

**ANNEXES (uploaded to electronic data exchange systems as separate files):**

- Draft report of the ex-ante evaluation (including an executive summary of the report)
- Confirmation of agreement in writing to the contents of the cooperation programme (Reference: Article 8(9) of Regulation (EU) No 1299/2013)
- A map of the area covered by the cooperation programme
- A "citizens summary" of the cooperation programme
- Strategic Environmental Assessment