

**OPERATIONAL PROGRAMME UNDER THE
'INVESTMENT FOR GROWTH AND JOBS' GOAL**

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1. STRATEGY FOR THE OPERATIONAL PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION

1.1 Strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion

1.1.1 Description of the programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

Introduction

The basis of OP Competitiveness and Cohesion (OPCC) 2014–2020 is the analysis of socio-economic circumstances, identified obstacles to growth, challenges and development needs in Croatia, in the context of the Partnership Agreement (PA), relevant EU and national strategic documents, their related targets and fundamental strategic provisions.

The analysis points to negative effects of economic recession whereby since 2008 the GDP level has decreased by more than 10%. Main challenges are low competitiveness of the economy, high unemployment, the mismatch between the educational system and economy needs, insufficient economic and public services' infrastructure and services. Regional disparities are also present, caused by geographical and various socio-economic factors. Many key challenges need to be addressed in order to contribute to the Europe2020 goals and the 2014 and future National Reform Programmes (NRP).

In this regard, Croatia is committed to achieving faster and more advanced smart growth, and sustainable and balanced economic and social development of the whole country is needed to ensure the acceptable quality of life in all regions, comparable to the EU average.

OPCC is co-financed from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), while its strategy is based on the concentration of investments into 9 thematic objectives (TO) of the Common Strategic Framework (TOs 1, 2, 3, 4, 5, 6, 7, 9 and 10) and their specific investment priorities (IPs), with further focus on specific objectives (SOs) to be achieved. Some OPCC actions are complemented by investments under OP Efficient Human Resources 2014-2020 (OPEHR), co-financed from the European Social Fund (ESF). The principle of supporting balanced regional development as a horizontal priority will also be applied.

To achieve the above mentioned objectives, under OPCC the available ERDF and CF resources have been allocated to the following priority areas:

- Strengthening the Economy through Application of Research and Innovation

- Use of Information and Communication Technologies
- Business Competitiveness
- Promoting Energy Efficiency and Renewable Energy Sources
- Climate Change and Risk Management
- Environmental Protection and Sustainability of Resources
- Connectivity and Mobility
- Social Inclusion and Health and
- Education, Skills and Lifelong Learning.

The following sections contain a more detailed description of the needs and challenges on the basis of which the priority areas have been defined, as well as their relation to the EU2020 Strategy and other relevant strategic documents.

Research, Technological Development and Innovation

Research institutions in Croatia possess good scientific potential and represent solid scientific base for development of competitive, innovation-driven economy. The vast majority of all scientists are employed in public sector which presents key research infrastructure available within the country. However, in order to achieve competitive, innovation-driven economy it is necessary to overcome several major problems recognized.

Outdated and scattered R&D equipment and underdeveloped infrastructure in the public and private R&D sector do not permit research to be carried out according to international standards, hindering the quality of research outputs, results and impacts, thus making Croatia less competitive compared to the EU average. This represents an obstacle to enhance the quality and availability of their services/research with the goal of becoming well integrated in the European Research Area (ERA) and international level. Poor infrastructure is also unattractive in terms of choosing a career in research and negatively affects R&D performance quality. Top quality research depends upon world-class facilities and research infrastructures (RIs), including ICT-based e-infrastructures (eRIs). Such RIs attract talent and stimulate innovation and business opportunities. eRIs in particular enables increasingly data-intensive collaborative research by geographically dispersed teams. Therefore, it is necessary to invest also into development of e-infrastructure. Furthermore, research institutions do not have sufficient resources for the implementation of research, as well as for the training of employees, which is evident from the fact that investments directed into R&D in 2012 amounted to only 0.75% of the GDP, of which 0.42% of the GDP was invested from public sources and 0.34% from the private sector. Economic crisis slowed down growth of investment in R&D (Eurostat data on expenditure for R&D - GERD) stagnates or declines since 2008). Existing research potentials and knowledge are not adequately exploited (i.e. technology transfer) and adjustment to the development and needs of the economy is low.

Planned interventions strengthening RTDI within investment priority 1a will promote the development of scientific activity potential and will increase capabilities of research

organisations for conducting excellent research and cooperation between science and business sector.

Croatian medium and large enterprises invest more than 90% of private investments in R&D, while large enterprises invest highest portion, with more than 60% of R&D investments. Little less than 8% of private investments in R&D come from micro and small enterprises, thus showing their weak engagement in R&D activities which are considered to be too risky with the uncertain outcome. Due to the lack of public support for RDI activities and relatively low interest of enterprises, investments in RDI stagnated in the past years. In order to reverse the negative trends and stagnation, the use of ESI funds is envisaged; substantial support will be targeted towards private RDI investments covering support both for in house R&D activities of enterprises (including SMEs) and for purchasing R&D services to launch new or fundamentally changed processes and products. R&D activities, next to other activities related to innovations implementation in enterprises are necessary for Croatian economy to become more competitive by increasing companies' productivity, accessing new, higher added-value markets and ultimately, leading to sustainable employment creation in the context of fierce global competition.

Needs and capacities of 12 Croatian industry sectors with high potential for growth have been identified. The government facilitated creation of national competitiveness cluster for each of these sectors under Smart specialization strategy (S3) elaboration process. Sound knowledge base, capable industrial capacities and proved academic excellence are recognized in four S3 fields: Health and quality of life, Energy and sustainable environment, Transport and mobility, Security, agro-food and bio-economy. Additionally, well-recognized S3 cross-cutting themes are: Key Enabling Technologies (KETs), ICT and Engineering, Tourism, Creative and Cultural industries.

Social innovation is quite new area for Croatia and so far there exists only very limited experience in its support and promotion, mostly thanks to the engagement of civil sector. Therefore more intensive support and effort from the central level is needed, in order to create long term sustainable basis for development of social innovation.

From description of the situation in Croatia above, in regards to the R&D&I and enterprise activity in this field and in the context of EU 2020 Strategy, following identified problems should be overtaken:

- low quality and availability of research institution's services/research and low quality of RDI infrastructure in public and private research organizations (ROs) and enterprises;
- unsatisfactory level of participation of research institutions in international, including European wide projects and programmes;
- weak environment for co-operation in R&D and promotion of R&D works results and innovations among enterprises;
- insufficient application of new technologies in the business sector;
- low interest in promoting social innovations.

In conclusion, main funding priorities to be tackled by public policy measures until the year 2020 and foreseen under Priority Axis 1 are:

- organisational reform of research organisations and modernisation of R&D infrastructure;
- strengthening research excellence and performance;
- creating conditions for business sector to invest into R&D&I by directing public research organisations focus towards applied research projects which correspond to the needs of industry and economy;
- supporting innovation and knowledge transfer;
- supporting RDI spending in enterprises to increase the overall level of R&D spending;
- creation of joint interest in implementation of RDI projects between R&D institutions including academic sector, public authorities and enterprises
- creation of favorable environment for enterprises in the area of RDI;
- supporting implementation of social innovations

ESIF investments under Priority Axis 1 will closely rely on lessons learned from the previous RCOP 2007 – 2013 experience, thus representing further step in a direction already taken. These investments aim to contribute to the achievement of Union strategy for smart, sustainable and inclusive growth goals and to contribute on national level to increase share of gross national expenditure for R&D (GERD) of 0.75% to 1.4% of the GDP, by 2020 (as mentioned in the Partnership Agreement). At the same time, business expenditure on the R&D (BERD) is planned to be increased of 0.34% to 0.70% of the GDP.

Use of Information and Communication Technologies

In Croatia, ICT as a sector represents 4.2% of the total GDP, in which 2.2% of overall active population is employed. Croatia will seek to implement the ambitious targets set in the Europe 2020 Strategy and "Digital agenda for Europe" flagship initiative.

One of the main identified problems of Croatia in ICT sector is broadband penetration and NGN coverage levels, both lagging behind the EU average levels. Fixed broadband penetration was 21.7% in January 2014 (EU average was 29.8% in 2013). In 2013, 63.6% of households in Croatia had Internet access (EU average was 76% in 2013). Although Croatia has already achieved good basic broadband coverage (97% of population in 2013), total NGA network coverage in Croatia amounted to only 33% in 2013, which positioned Croatia far behind EU's average NGA coverage of 62% in the same year. The current level of NGA coverage is concentrated on few densely populated areas of Croatia. Considering this, significant number of households, public administration sites, educational and health care institutions, as well as small and medium enterprises are unable to access the high-speed broadband and use advanced IT services, thus hindering uniform regional development in Croatia and exploiting of socio-economic benefits related to the availability of NGA broadband networks.

According to the technical and economic analyses performed by Croatian Government in 2012, at least 60% of Croatian population would not be commercially covered by NGN infrastructure, due to poor profitability prospects for NGN investments in areas with lower population density. In order to foster extension of NGN coverage to these areas, public funds shall be used for support of investments in NGN infrastructure (backhaul and access portion of network), as a complement to private investments by operators in white and grey NGN areas. There is no need to support investment in backbone network, as there is no market failure indicated there.

The analyses from the "Study on funding models and support for investment in broadband infrastructure" indicate that, in order to reach 100% national NGA broadband coverage and close the existing and foreseen coverage gap in unprofitable areas by 2020, investments of up to €1.286 million are needed. It is expected that at least 29.8% of this amount can be covered by private investments from operators, while the remaining maximum share of 70.2% shall be covered by public support, due to unprofitability of commercial NGN investments in suburban and rural areas. It is envisaged that support from ERDF fund will contribute to the extension of NGN broadband coverage for at least additional 12 percentage points of Croatian households.

The main objective of the Strategy for Broadband Development in the Republic of Croatia for 2012-2015, and the new Strategy for 2016-2020 is to support development of nation-wide infrastructure for high-speed broadband Internet access (at least 30 Mbit/s) and services requiring high access speed, thus allowing the development and availability of digital society to all.

Detailed analysis of the Croatian public ICT sector has detected deficiencies which mostly concerns inadequate and inefficient cost and investment management in the ICT public sector. Public ICT projects are mainly implemented by individual state administrative bodies, without systematic coordination or possibility to use common resources while concurrently many systems have small utilization percentages of the available ICT infrastructure. Majority of central state bodies use their own software and application solutions and data that are not accessible to other state bodies (unavailability of data). There are no common solutions for same business processes or a system for integration of existing applications and data bases.

The Law on the State Information Infrastructure defines common elements for electronic services development including one government web site as single point of contact; common identification and authentication interface (in line with the EU STORK project), common user mailbox for citizens (e-Citizens project launched in 2014). An obligatory interoperability framework in line with the European interoperability framework, making the interconnection with Pan European e-services possible, has to be put in place.

Public e-services in Croatia are to a greater extent provided to companies than to citizens. Citizens have fully available 50% of basic public services via the Internet (in 2010), but compared to EU-27, Croatia is below average (EU27 81%). Only 30.8% of citizens communicated with public authorities through online applications in 2013 (EU-27: 50%). The level of provision and use of e-government and e-public services presently in Croatia is insufficient ("online accessibility" indicator for Croatia in 2013 amounted 57% while the average for EU27 was 74%). Institutions within public administration (particularly

educational sector, land management, health care, justice, culture and tourism sector) and other public services are lacking digital data and possibility to exchange the information. ICT equipment and infrastructure necessary for networking and provision of e-services to the public is outdated and inadequate and needs to be further supported. Additional efforts for adaptation of e-services to special needs of different population groups and adjustment of e-content to ensure accessibility of services to everyone (including distant and remote locations, especially on the islands) are necessary.

The deployment of ICT is becoming a critical element for better delivery of policy objectives to the whole population. Croatia has, at this point, identified need to develop e-services especially in the area of health, education, land management, justice, culture, tourism and inclusion, in order for state administration bodies to improve their policy delivery. Even though the Digital Growth Strategy (representing ex-ante conditionality) has not been drafted yet, strategic background and justification exists in sectorial strategies elaborating and emphasizing the importance of electronic media and implementation of ICT services and applications to deliver above mentioned policy objectives. Digital Growth Strategy will give direction for the development of e-services, with a clear prioritization and orientation to results and will elaborate incentives aiming to increase the usage of e-services (e.g. faster treatment of e-requests and cost reduction in comparison to classical counter service delivery).

Within the scope of this priority area, ERDF funding will be used to address insufficient NGN broadband coverage of Croatian territory, insufficiently managed public ICT infrastructure, lack of data and policy delivery together with the low availability of e-services. In order to foster productivity in the private sector and public administration, enhancement of ICT equipment, development of e-services and NGN broadband infrastructure is not enough. Attaining the objective of enhanced use of ICT requires a combination that includes measures to improve digital skills that will be implemented within the framework of the Efficient Human Resources Operational Programme.

Business Competitiveness

Small and medium sized enterprises (SMEs) make up 99.7% of the total number of enterprises in Croatia (92.2% are micro, 6.3% small and 1.2% medium-sized enterprises). The SME sector participates with 68.3% in total employment (1.03 million persons) which is higher than the EU average, generating EUR 20.5 billion of value added (59%), which is at the EU average, and 51% of GDP.

There are also differences in entrepreneurial activity and success which varies between regions (NUTS II), whereby Continental Croatia has 61.42% of small businesses and 66.87% of employment, while the Adriatic notes 38.58% of small businesses and 33.13% of employment. At NUTS III level, in Continental Croatia, the City of Zagreb, Zagreb County and Osječko-baranjska County have the highest entrepreneurial activity, while in the Adriatic Croatia entrepreneurial activity is highest in Splitsko-dalmatinska County, Istra County and Primorsko-goranska County.

Analyses performed in 2011 and in 2013 have shown that there is an on-going **financing gap**, meaning that a sizeable share of SMEs cannot obtain financing from banks, capital markets or other suppliers of finance. Banks are highly averse to risk which causes 79%

of SMEs to use own cash flow and retained profit as their primary source of financing new investments. SMEs have particular difficulty in obtaining small loans (25,000-100,000 EUR) while 60% of SMEs lack sufficient collateral to obtain any form of bank finance. 54% of financial services and products offered are not tailored to SMEs needs and expectations and the level of interest rates is too high for 34% of them. Venture capital market is almost absent with insignificant equity at disposal and the network of business angels is weak and underdeveloped. An Ex-ante Assessment of Access to Finance Market Gap[6] is being drafted and once completed, suitable and innovative instruments will be proposed.

SMEs at different stages of growth cycle need professional support provided by the **business support organisations (BSOs)**. BSOs are often perceived as offering services that the most SMEs cannot afford. Moreover, different needs for specialized support to SMEs have been identified in different regions of Croatia. BSOs however have shown to have insufficient capacities to provide high quality services and up to date approach in tackling SMEs' problems. The demand from SMEs comes in terms of more specific and higher-order services and other forms of business support.

Further related concern is the status of entrepreneurship in Croatian society and the overall **lack of entrepreneurial skills**. The percentage of 18-24 year old employees involved in education and training is only 5.9% (2011) while the EU 27 average is 35.8%. Only 2.3% of total number of employed persons is engaged in continuous training and learning processes (EU27 average is 8.9%).

The need for improving entrepreneurial skills and **the status of entrepreneurship** will be addressed through support offered by BSOs, creation of **advanced business infrastructure** and associated services offered to businesses (e.g. through incubators, industrial and technological parks), but also through the activities of the South Eastern European Centre for Entrepreneurial Learning (SEECCEL), contributing also to the goals of the Danube Strategy and regional cooperation in boosting entrepreneurial learning. SEECCEL is based on the expression of need of the EU pre-accession countries for institutionalisation of the regional dialogue and targeted cooperation in the field of entrepreneurial learning, within the SBA, under Principles 1 and 8.

Tourism needs to be specially pointed out since it presents an important driver of the economy and generates strong multiplying effects spilling over to other economic fields. In 2013, the share of tourism in the overall economy GDP was estimated at 16.5% with the international receipts totalling EUR 7.2 billion, significantly reducing Croatia's external trade imbalance, accounting for a third of Croatia's exports and two thirds of services exports. Moreover, 12.5 million arrivals and 64.8 million overnight stays were recorded in 2013, while permanent employees in tourism sector numbered 84,200 or 6.3 % of total employment.

The SMEs in tourism struggle to overcome two fundamental problems: the seasonality (80 % of tourist traffic takes place within the period of three summer months) and the lack of diversified tourism products (resulting in low average consumption).

Decline in exports during 2008-2010 has been caused in great part by specific supply-side dislocations. Negative trade balance (2010) shows that growing SMEs should

improve their competitiveness both on domestic and the foreign markets. **Increasing efficiency** of their production facilities, equipment and processes including **ICT** solutions, **international standards and norms** and overall capacities is necessary.

Networking and clustering can provide advantages to SMEs, especially regarding strengthening their value and production chains. There are over 500 enterprises participating in clusters in Croatia, employing over 25,000 employees. Most of these clusters are in the manufacturing sector, but tourism and agriculture are also well represented. In addition, there are 1,131 registered cooperatives (2013) with 19,309 cooperative members.

Internationalisation process requires a comprehensive set of instruments, covering access to information on foreign markets, including entry requirements and support to prepare expansion strategy including good marketing, sales and cooperation with foreign partners.

Regarding **FDI**, annual average net FDI flows plummeted from around 6% of GDP between 1999 and 2008 to 2% of GDP in the 2010-13 period, exposing the risks of very limited amount of it being channelled into the tradable and productive sector. There is a need to reverse these circumstances and attract FDI into productive domestic assets and economic transformation, as well as to increase the impact of FDI in the SME sector.

Croatian SMEs do not invest enough in innovation in order to introduce new products and services onto the market. Croatia is considered a "moderate innovator" with the percentage of **enterprises involved in innovation** of 8% below the EU 27 average. Support will be provided to establishment of innovative start-ups, but also for the improvement of innovation potential and commercialization activities of existing SMEs, in particular in areas identified by S3 strategy.

Promoting Energy Efficiency (EE) and Renewable Energy Sources (RES)

As regards Croatian energy system its weaknesses and opportunities have been recognized and incorporated in detail in Croatian national Energy Strategy for the period until 2020. In line with the latter and the EU 2020 strategy, one main goal is to increase the use of RES and EE, especially in final energy consumption, thus providing multiple benefits such as reduction of emissions, decrease in consumption and related expenses and increasing the security of supply.

Greenhouse Gasses (GHG)

Croatia with 28.3 Mt of GHG emissions in 2011 accounted for less than 0.1% in the world total GHG emissions while looking at the (EU27 that share is 0.6% (4,720 Mt). Croatia, being the signatory of the Kyoto protocol, fulfilled the goal of reducing GHG emissions by 2012 to 95% compared to 1990; total GHG emission, excluding outflows, in 2011 was 10.3% lower compared to 1990. As for the trends, the GHG emissions dropped significantly in the 1991-1995 period due to the collapse of industry and war. From 1996 to 2007 emissions were steadily increasing; however as of 2007 the decreasing trend is again present. During the whole reference period 1990- 2011 shares of individual gasses in the total GHG emissions remained steady: 73.9% CO₂, 12.6% CH₄

12.4% N₂O; 1.7% HFC and PFC and 0.05% SF₆. In terms of GHG emission sources, the energy sector (which includes transport and industry) has the largest share (73.3%) followed by agriculture (14%), waste management (5%) etc. Out of the mentioned sectors in the recent (5-year) period only the waste management sector experienced an increase in the GHG emissions due to the landfilling while the level of emissions in the energy and agriculture sector has a downwards trend, not only due to effects of economic crisis but also due to an increase in the RES production.

Energy Production (including RES)

Total primary energy supply in Croatia in 2011 amounted to 383 PJ with a stable decreasing trend as of 2008 mainly due to the effects of economic crisis, and more than 80% of energy supply originating from fossil fuels (coal, oil, gas). Croatia is highly dependent (54%) on energy import with 282 PJ of energy being imported in 2011 (mainly oil and petroleum products).

15.7% of the gross final energy consumption in 2011 was derived from the RES presenting constant growing path of RES share in gross final energy consumption starting from 12.2 in 2008, to 14.6 in 2010. However, large hydro power and biomass represent more than 90% of the mentioned share (with dominating position of LHP), followed by biofuels (5%), wind (2%) and sun / SHP/ geothermal (less than 1% each). In sectoral terms - over 34% of the final electricity consumption was produced from RES (but with just 2% of that share attributed to the sources other than LHP) while for heating/cooling and transport sectors that share was significantly lower amounting to 12.8% and 1.4% respectively.

Public Energy Infrastructure

(Electricity) energy distribution network is characterised by regional differences in terms of number of users, total volume and characteristics of supply (e.g. seasonality); and by limited possibility for integration of additional capacity of RES. This implies not just construction of new or upgrade of the current grid but also improvement in overall regulation and management of the system, including introduction of new technologies (smart grids).

As regards district heating system it is on the one hand of limited coverage (just 10% of the total households) while on the other hand it is inefficient with high losses of both water and heat. Energy consumption for the public lighting is relatively stable with around 440 GWh/Year.

Energy Intensity (Energy Efficiency)

In 2011, energy consumption of an economy and its overall energy efficiency (gross inland consumption of energy divided by GDP) was above EU27 average – 231 kgoe per EUR 1,000 compared to 138 kgoe per EUR 1,000. As for the EE (expressed in ODEX) the positive trend of 15.6% decrease of the ODEX in the economy as a whole was established in the 1995-2011 period. However fact that total energy supply is decreasing faster (decrease in 2011 for 6.8% compared to 2010) than consumption (decrease in 2011 for 2.5% compared to 2010) at the same time implies limited EE measures effects. At the

sectoral level the main focus is on the building sector with the highest share in the energy consumption and a relatively high level of ODEX with even slight increasing trend. As for the industries the sharp drop in the consumption is followed by a not as sharp decrease of ODEX while service sector is the one with most negative ODEX trend which implies potential for significant energy savings in both those sectors.

Energy Consumption

In 2011 final energy consumption amounted to 280 PJ with once again stable decreasing trend over the 2008-2011 period. The buildings (includes residential housing, public and commercial buildings) have the largest share to the final energy consumption amounting to 43% in 2011. Out of that figure 2/3 is attached to the residential sector while 1/3 is dedicated to the public and commercial sector. Average energy consumption per households (kWh/m²) is higher than in neighbouring EU countries, with cooling / heating accounting for 70% of the energy consumption in households. Coverage of advanced metering systems (smart metering) and other smart energy technologies is still very limited. The building sector is followed by the transport with the 33% share in the final energy consumption and industrial sector with 17% with almost 50% of the energy consumed being the coal, liquid and gasses fuels, and finally agriculture sector and construction sector accounting for 4% and 2% respectively.

Therefore it is envisaged to provide assistance under TO 4 by focusing on of promotion of RES and EE measures related both in private sector (enterprises / SMEs) and in public / housing sector infrastructure, being the sectors with largest share in the energy consumption and using predominantly carbon based energy. Besides direct benefits in emission reduction, resource efficiency and cost reduction, investing in RES and EE measures will provide for diversification of energy sources and subsequently for an increase of security of supply; and provide opportunity for “green jobs” and technological /manufacturing development.

These measures will directly contribute to the EU 2020 energy and climate targets that have been transferred into the national targets (in terms of RES and EE) as follows:

- National RES Action plan sets the 2020 goals of 39%, 10% and 19.6% share of RES in the in gross final energy consumption in electricity, transport and heating and cooling respectively;
- National EE Action plan sets the overall energy saving target should be contributed 34% by households, 19% by services, 17% by industries (excluding ETS) and 30% by transport.

Environmental Protection, Climate Change Adaptation and Sustainability of Resources

Signs of **climate change** can be traced in Croatia as well; as indication it can be stated that a) average air temperature raised steadily with 2001-2010 decade being the warmest in the recorded history with 1°C increase compared to the 1961-1990 average, as well as increase in the number of extremely warm days especially during the summer period, b) less intensive but steadily trend of reduction in annual precipitation level, c) trend of

evaporation compared to the air temperature trend and c) increased occurrence rate of extreme weather events that can be attributed to the climate change. Having in mind the possible effects and its natural and economic environment, Croatia can be considered as highly endangered by the climate change.

As for the expected impacts of the climate change the localised climate change scenario (2011-2040 period) for Croatia shows the following results: continuation of average air temperature increase especially during the summer period with expected increase from 0.8°C to 1°C (higher in the coastal areas and islands) and with the continuous trend in decrease of precipitation with the biggest expected decrease in the autumn (8-12% in average) but with significant regional differences i.e. this effect is much more applicable to the southern part of Croatia. Besides sectors that are crucial for economy (i.e. account for large share of GDP) such as tourism and agriculture, existing ecosystems and infrastructure are also being threatened by the climate change effects, primarily the coastal zones and forests, the latter covering the 47% of the Croatian land.

However, so far Croatia was mostly dealing with the mitigation and far less with the adaptation to climate change. While the mitigation measures will remain important and will be tackled through other TOs (particularly TO 4 with EE and RES measures), the adaptation will have to be tackled more significantly in line with objectives and priority investments determined in the National Adaptation Strategy due by the end of 2016.

Although not all can be attributed exclusively to the climate change effects it must be stated that damages from the natural disasters amount to averagely more than EUR 200 mil yearly just for the floods, droughts and fires. Concrete measures to reduce **disaster risks** and to improve prevention, preparedness and response to disasters must be implemented, based on the disaster risk assessment (due by the end of 2015 that should prioritise risks and corresponding measures) and disaster risk reduction strategy. For the moment Croatia has prepared Hazard analysis, which identified 11 risks, with some of them not causing damages on a yearly basis but can cause immense and notorious damage, while some occurring almost regularly. According to the preliminary flood risk assessment approximately 1/3 of the territory is considered at high risk i.e. without any or with limited protection while on the other hand only 1.1% of the agricultural land is being irrigated.

In Croatia within several of the environmental components investments are still needed either to maintain the current status or to improve the existing level of management easily indicated by looking at the environmental expenditure (as percentage of BDP) which is still lower than EU average (1.1% to 1.8%).

Existing **waste management** system can be assessed as ecologically unacceptable and unsustainable, characterised by the insufficient waste management facilities, high proportion of municipal / biodegradable waste being deposited on landfills and low proportion of recycling out of municipal waste (MW). In parallel, Croatia needs to tackle the legacy of inadequate waste management in the past by remediation of municipal landfills, unofficial dumpsites and “hot spots” (locations highly polluted by waste). All of these needs are clearly linked with the transitional periods for compliance with the EU waste directives set in the Accession treaty related to gradual reduction of a) share of

biodegradable MW deposited on landfills and b) waste landfilled in existing non-compliant landfills.

The public waste collection system covers 99% of the population, but the overall system is focused on collection as such and landfilling. Namely in 2012, 83% of MW was landfilled (EU average is 34%). This is particularly important having in mind that biodegradable waste makes up a 65% share of total MW, which subsequently leads to the fact that 83% of biodegradable waste was landfilled, while a small share was separately collected and recovered. In 2012, there were 302 official unregulated MW landfills out of which 113 were remediated (out of which waste was completely removed from 71 locations) while additional 51 were under remediation. In addition to these unregulated MW landfills there is a number of unofficial dumpsites (wild sites) that need to be treated as well. As regards modern waste management and landfilling infrastructure Croatia is in process of establishing new waste management centres funded by EU assistance in the 2005-2013 period (WMC Bikarac, Marišćina and Kaštijun).

From 1997 to 2008 MW quantities increased by 76%. Although, in the period 2008-2012 MW quantities decreased by 7% in recent three years slight increasing trend is present again (increase of 2.5% in 2012 compared to 2010). In 2012, in total 1,670,005t of MW was produced i.e. 390kg/inhabitant which is lower than EU average (503 kg/inhabitant). Out of that amount 23% was separately collected, however only 15% of the total MW has actually been sent for recovery. As of 2007, Croatia is enforcing specific legislation related to the separate collection and reuse of special categories of waste which showed good results in practice, especially the collection and recycling rate for packaging waste; however the overall recycling rate is relatively low. In terms of hazardous waste (HW) reported, average annual quantity is around 60,000t (66,000t in 2012), while it is estimated that the real amount of generated HW is around 213.000t. A significant proportion (66%) of generated HW relates to specific waste categories such as end-of-life vehicles, electronic waste, construction waste containing asbestos, waste oil and batteries and accumulators. Particular feature of the Croatian waste management system is related to the 13 locations highly polluted by waste ("hot spots") i.e. sites created by long-term inappropriate management of industrial (technological) waste that poses threat not just to environment but also to human health. In conclusion, the waste management system is characterised by the need to comply with the relevant EU requirements and standards, but such aligning will require significant investment.

The same type of need applies to the **water management** sector. While the situation with the water supply coverage can be generally assessed as satisfactory, with approximately 80% of population connected to the public system (others supplied from the so-called local water supplies or individually from own wells, cisterns, etc.), significant regional differences must be noted i.e. connection rate being higher in the Adriatic basin (91%) than in the Black Sea basin (77%). Population not connected to the public water supply systems (roughly 20%) is supplied from the so-called local water supplies or individually from own wells, cisterns, etc. Water usage efficiency index (ration between delivered and abstracted water quantities) is around 56% which implies high loses within the system of 44%. The problem with water quality exists in limited geographical scope related to the naturally caused problems with the level of iron, manganese, ammonia and arsenic that subsequently require more demanding water treatment process. On the other hand public sewerage system is not developed as the public water supply one with quite low

connection level (connection rate of 44% of population) which is definitely low in comparison to most of the EU member states. Difference in connection rate is visible on regional level (being lower in the Dalmatian basin (31%) compared to other basins) but more in terms of size of settlements with rate at relatively satisfactory level only in the settlements above 10.000 inhabitants. In addition only 28% of the collected WW is being treated, but it must be noted that 1/3 of that percentage actually relates to the pre-treatment or primary treatment of WW. Very low level of treatment of waste water shows a great need for investments in WW collection and implementation of adequate level of treatment in order to achieve a good water status. As regards sea waters large majority is assessed to be of very good ecological status (top ranking) however the increasing number of pollution events can be observed over the last 5 years. This OP will address this issue primary by securing measures to improve treatment of WW being discharged in the coastal waters. Finally all the measures within the water sector will stem and be in line with the River basin management plan (current one for the period 2012-2015 and new one for the 2016-2021 that is due by the end of 2015) as an integrated document including all water related measures and activities.

Since today cca 160 public water services providers exist it is evident that sector of public water services providers is largely fragmented with the quality of services provided on different levels. Around 70 % of them are small companies with the annual distribution of less then 1 mil m3 of water (compared to 45 mil m3 of water annually as EU average). Capacities of small companies in terms of human resources and technical capability to prepare and implement projects in period 2014-2020 are evidently not sufficient.

Finally waste and water management sectors are largely aquis alignment driven and as such present the main priorities for funding within Priority axis 6 of this Operational programme.

In terms of **biodiversity**, protected areas (PA), particularly national and nature parks cover 8.56% of the total surface of Croatia (including 12.20% land territory and 1.94% of internal waters and territorial sea). Additionally, due to their specific richness certain sites are recognised by different international mechanisms and protection (UNESCO World Heritage Sites, UNESCO MaB reserves, UNESCO Geoparks, Ramsar List of Wetlands of International Importance). However, continuous loss of biodiversity caused by loss of habitats, intake of alien species in ecosystems, environment pollution, spatial urbanization, global climate changes and pressures from the economic activities and unsustainable usage of natural resources is observed. Croatian ecological network Natura 2000 (www.natura2000.hr) covers 36.67% of land and 16.39% of sea surface (total percentage: 29.38%) including all the national and nature parks. However setting up of areas important for the preservation of endangered and rare species and habitat types EU Natura 2000 and sustainable management mechanisms represent the most important obligations of the protection of nature in Croatia that requires significant activities and investments. In relation to this the particular issue that Croatia faces as a consequence of the Homeland war from early 1990s i.e. land mines contamination needs to be tackled as well. Namely total amount of mine suspected areas within nature protected and Natura 2000 sites reach 313 km² that is over 50% of all suspected areas in the country. More specifically the mine problem is disproportionally present in the forests; of the total mine contaminated area in the country, some 80% are forests and forest land while that

percentage is even higher (90%) if areas within Natura2000 sites are considered. Such situation jeopardises the effective management through forest management plans, inhibiting their conservation and leading to their further degradation, and thus diminishing the value of their ecosystem services and the deployment of the green infrastructure.

In parallel such natural heritage provides opportunities for economic and social development primarily on the local level and related to the sustainable tourism activities. Being a country with large coastline and maritime area Croatia needs to protect and preserve the marine environment, prevent its deterioration, restore marine ecosystems in areas where they have been adversely affected and reduce inputs of contaminants into marine environment. According to the Environmental Protection Act (OG 80/13) the concept and principles from the ratified Barcelona Convention - Integrated Coastal Zone Management protocol should be built into the national Marine Strategy (that is to be developed according the Marine Strategy Framework Directive 2008/56/EC MSFD). Planned future activities will be based on the Marine Environment and Coastal area Management Strategy (due end of 2016) and it will include set of priority measures and actions (so called “programme of measures designed to achieve or maintain good environmental status in the Marine Environment by 2020”).

Cultural heritage, similarly to the **natural heritage**, represents a significant economic and development potential. Croatia has around 8000 goods on the list of protected cultural heritage (both material and nonmaterial), including seven sites inscribed on the UNESCO World Heritage List and 14 intangible phenomena on the UNESCO List of Intangible Heritage of Humanity. Croatia has also relatively well developed culture-related creativity and production. However, the overall management of this type of heritage is not in line with economic goals, primarily with the potential for job opportunities because the cultural heritage is largely unexploited. However it must be mentioned that the opposite situation i.e. over/inadequate exploitation of cultural heritage for economic purposes, mainly tourism, thus threatening its sustainability, can also be observed in limited number of sites. By ensuring the valorisation of the potential of cultural heritage in a sustainable manner that will provide economic benefits in terms of enabling the creation of innovative services and products in relation to the cultural heritage, it will contribute to the development and employment but also to the social cohesion of the regions.

Although the general environmental condition can be assessed as good there are certain specific issues which are spatially (geographically) limited and in most cases within urban areas, primarily relating to the air quality and (physical) resource efficiency. Therefore with the aim of contributing to the integrated and sustainable urban development, this TO will focus on: a) ensuring measures for improvement of the urban environment characteristics, primarily air quality since the other main environmental features such as waste and water are tackled within different IPs; In terms of air quality the majority of Croatia fall under Category I (clean or remotely polluted), however there are certain exceptions, exclusively in urban areas where air quality is of Class II or III (modestly or excessively polluted). These are the largest cities with pollution not just from industries but also from transport and some middle sized urban areas that have significant industrial plants (Kutina, Sisak, Sl. Brod); and b) to support exploitation of the existing potential such as abandoned infrastructure and facilities for economic and

social purposes with the focus on the reconstruction of so called “brownfield areas” i.e. ex-military and industrial sites.

Finally as a horizontal priority issue of **administrative capacities** (inefficient organisational system, lack of employees and equipment, need for education and training etc.) on all levels in the energy and environment sectors will be tackled as a horizontal priority i.e. embedded in the sector specific activities and results.

Connectivity and Mobility

The competitiveness of the Croatian economy is also negatively influenced by poor quality and maintenance of **public transport** options, a lack of comfortable and reliable transport connections between and within regions, as well as an absence of multi-modal transport options and hence more environmentally friendly and safe means of transport. The limited capacity and lack of standardised management systems across Croatia’s inland waterways results in a low level of utilisation of this transport mode and low levels of safety, with interconnectivity hampered by deficiencies in maritime ports and maritime carriers especially with regard to access to the islands. The geographical location of Croatia nevertheless means that the programme provides an opportunity to improve connections between the Adriatic and Mediterranean and the heartland of Europe through the modernization and development of transport infrastructure identified within the EU core and comprehensive TEN-T network and corridors. This will aid development of individual regions, promoting their integration both into the EU internal market and global economy, enhancing trade, accessibility and mobility and creating wealth and jobs.

Key principles established in the draft National Transport Strategy and of relevance in the wider EU transport and Cohesion policy contexts include environmental sustainability, accessibility and social inclusion, modal shift, improved interoperability whilst additionally prioritizing the connectivity with neighbouring countries and interconnection within the wider EU TEN-T network. The OPCC priority axis focusing on TO7 will contribute to the first five of the six key objectives of the draft Transport Strategy for Croatia:

1. Improvement of transport connectivity and coordination with neighbouring countries
2. Improvement of passengers’ long distance accessibility inside Croatia
3. Improvement of passenger regional connectivity in Croatia and the promotion of territorial cohesion
4. Improvement of passenger accessibility to and within the main urban agglomerations
5. Improvement of freight accessibility inside Croatia
6. Improvement of the Organizational and Operational setup of the Transport System to enhance efficiency and sustainability of the system.

The focus of this priority will be on investment in transport infrastructure that is necessary for a modern, competitive and inter-connected European economy, facilitating the movement of goods and people not only across and within Croatia but to other parts of Europe, and improving the accessibility of towns and isolated areas to regional functional centres and enhancing territorial cohesion.

The identification of goals for the transport priority in the OPCC additionally reflects EU and national policy priorities in the field of transport. The EU White Paper on Transport identifies as a goal establishment of a Single European Transport Area that underpins European economic progress, enhances competitiveness and offers high quality, efficient and safe services on modern infrastructure whilst reducing its impact on the environment. It highlights the integration of modal networks or co-modality, structural changes to enable rail to compete effectively in medium and long distance freight and passenger markets, unlocking the potential of under-utilised inland waterways and clean urban transport. Therefore, significant effort should be set upon a ‘core’ network of corridors, which ensure efficient multi-modal links and European added-value.

The Commission Position Paper highlights the unbalanced nature of Croatia’s transport system with the focus for development over the last 15 years having been on motorways. Quality improvements are required in all other modes of transport as well as efforts to improve road safety, rail traffic management systems and interoperability, multi-modality and navigability of inland waterways.

The transport priority axis in the 2014-2020 OP will mark the continuation of the strategic goals established in the Transport OP for 2007-2013 (modernization of railway infrastructure and of the inland waterway system), ensuring consistency and alignment with EU funding to date in the transport sector in Croatia.

Given the above said, the main goals of this priority areas are as follows:

- improved interoperability and interconnectivity of railway lines on main European corridors and strengthened capacity and quality of passenger rolling stock (CF);
- enhanced regional mobility and secondary connectivity through upgrading regional roads and elimination of major bottlenecks (ERDF);
- improved road safety through investment in related infrastructure (ERDF);
- improved territorial cohesion and connectivity and accessibility of physically isolated areas i.e. southernmost Croatia (Dubrovnik) and inhabited islands (CF);
- establishment of integrated and clean public transport systems in urban agglomerations (CF);
- modernization of inland waterways, ports and IT management systems of the inland waterways mode (CF).

Poverty and Social Exclusion

Croatia has one of the highest rates of people at risk of **poverty or social exclusion** in the EU. Number of people at risk of poverty or social exclusion was 1,370,000 in 2012 and

Croatia's goal is to decrease this number by 150,000 by 2020 in line with National Reform Programme. The Strategy for combating poverty and social exclusion (2014-2020) defines most vulnerable groups[15] i.e. those at the highest risk of poverty and social exclusion.

As assessments of needs in Partnership Agreement shows, availability of **health care** is often uneven across the country, namely due to barriers such as expense and distance but also to the lack of health care workers. In 2011 there were 281 physicians per 100,000 inhabitants. The number has increased in the past 10 years but is still less than the EU average (320/100,000). Some areas in Croatia do not have a sufficient number of primary health care teams or necessary infrastructure to provide adequate services to inhabitants. Furthermore, the out-dated hospital system cannot provide adequate services to population, and requires change in modality of health care provision. Currently, hospital care in Croatia is primarily based on acute inpatient care, which is the most expensive modality. A shift to other modalities of hospital care is needed, with day hospital/day surgery and other less resource-intensive modalities of care being identified in the National plan for development of clinical hospital centers, clinical hospitals, clinics and general hospitals in the Republic of Croatia (2014-2016), and included in the NRP. Furthermore, vulnerable groups are particularly affected by the limitations in access to hospital care, brought about by the inefficient or undeveloped hospital services.

To increase the efficiency and effectiveness of hospital-based emergency medical service (EMS), conjoint emergency medical wards have been established in most of the Croatian acute hospitals, with only few remaining without such ward. Also, in geographically isolated areas such as islands, where other health services are limited or non-existent, effective EMS is of vital importance. Currently, EMS is underequipped for providing adequate care to both local inhabitants and tourists.

The European Disability strategy 2010-2020 provides the framework for empowering people with disability for fully participate in society while the UN Convention on the rights of persons with disabilities in article 19 lays down the right to an independent living.

Access to social services, especially those in the community is limited across the whole territory of the Republic of Croatia. In order to intensify the process of deinstitutionalization and to prevent institutionalisation, the Plan for Deinstitutionalisation and Transformation of Social Welfare Homes and other Legal Entities Performing Social Welfare Activities in the Republic of Croatia 2011-2016 (2018) was adopted, with the purpose to reduce the entry in institutions and increase exit from institutions into new forms of care. This should be aligned with the development priorities of network services at the local level. Support to the development and broadening the network of community-based social services by all service providers (e.g. public, NGOs) is also a precondition for the sustainability of the process of deinstitutionalisation and these two processes are closely interlinked, influencing one another.

In 2012 there were 12.373 beneficiaries of social services, and 62% of them were in some form of institutional care. There were 68% of children and youth without adequate parental care where beneficiaries of institutional care. Regarding children and youth with

behavioural disorders 35% of them were provided with services in institutional care, as well as 44% of persons with intellectual, physical or sensory disorders and 96% of persons with mental impairment.

In order to ensure the maximum accessibility to social services in the community across the whole country and to support process of deinstitutionalisation, there is a parallel on-going process of social planning on county level with County social plans being prepared. They should support the development of services that are lacking in certain areas and ensure the sustainability of deinstitutionalisation process as well support the right of all persons to have support in their local communities.

Also, in line with the Plan of deinstitutionalization and county local social planning, Operational plan of transformation and deinstitutionalisation of social welfare homes and other legal entities performing social welfare activities in Republic of Croatia was adopted, identifying the form of transformation of social welfare homes. The results of the process of deinstitutionalisation and transformation by end 2016 will be the basis for planning deinstitutionalisation and transformation process for the next period until 2020.

Furthermore, social welfare centres have an important role in the preparation of the users and their families to return to family or in their referral to non-institutional forms of accommodation as well as in prevention of institutionalisation, supporting the process of deinstitutionalisation. They also connect social welfare beneficiaries to social services providers in the community.

Infrastructure investments in homes for elderly people are needed to ensure quality standards of institutional care and particularly to ensure availability of community-based social services. Furthermore, homeless represent one of the most vulnerable groups faced with extreme poverty and social exclusion. Although there are no exact numbers, it is estimated that there are over 1000 homeless persons out of whom only around 430 can be accommodated in 12 shelters situated mostly in larger towns.

Regarding the areas most affected by poverty, they correlate with those identified as assisted areas, based on the development index. They are characterized by higher unemployment rates, lower income and education attainment rates, depopulation, lower living standard and poorer housing conditions which reflects slower economic and social development in these areas, less job and education opportunities, limited availability of basic infrastructure and consequently results in increased vulnerability of the population to poverty in comparison other areas.

On the other hand, regarding problems of poverty and social exclusion suffered by marginal communities such as Roma, the EU has consistently emphasised the interrelationship between issues such as education, employment, health and physical housing conditions, and similar interrelationships can be noted in Croatia.

Also, very specific to Croatia is the fact of recent direct experience of war (1991-1996), as well as categories at increased risk of social exclusion such as war veterans and war victims, refugees, internally displaced persons (IDPs), returnees etc. In the Croatian Homeland War more than 150.000 homes and estates and over 25% of the Croatian economy were destroyed and direct damage in Croatia amounted to EUR 32 billion.

More than 21,000 lives were lost, and 57,890 Croatian Veterans suffered organism damage greater than 20%.

Education, skills and lifelong learning

Structural reforms in education and training should aim at modernizing outcome-based curricula and development of key and transversal competences as a pre-requisite for the participation in lifelong learning strategic objectives from Education and Training 2020. A new Croatian Education, Science and Technology Strategy 2014-2020 (ESTS), underlines these problems, following EC recommendation on the introduction of key competencies to the development and implementation of curricula. The National Framework Curricula (NFC) defines broad educational outcomes - humanities and the arts, health, safety and the environment, learning to learn, entrepreneurship and active citizenship.

Regarding **ICT in education**, schools are at different levels of digital maturity availability and speed of Internet, digital maturity of teachers, provision of support to teachers, introduction of ICT into business processes. Significant investments in infrastructure and equipment are required as only 17% of all schools are connected to a high-speed connection. Even those that are connected are not able to exploit fully the potential it provides. This is due to outdated ICT equipment, as well as inadequate number of computers per pupil.

Although some small-scale equipping has been implemented in the pre-accession period, mostly in **vocational education and training (VET)** schools and adult education institutions, schools at pre-tertiary level are still not equipped with latest technologies and didactic and other specialized equipment in order to be able to provide high-quality, relevant, modern and attractive education and training. Therefore, further investments in educational infrastructure are imperative. 70.7% of regular secondary education students (ISCED 3 and 4) in 2011 were enrolled in one of the VET programmes. More specifically, 43% were in 4-year VET programmes (based on equal proportion of general and professional competences, more theoretical and school based, enabling students to progress to tertiary education) and 26% were in a 3-year programme (based more on professional and practical competences in majority of VET programmes acquired through apprentices scheme). Therefore, majority of VET provision in Croatia is aimed at ensuring inclusion into labour market as well as to provide entrance into tertiary education. The largest proportion of the unemployed is persons with secondary level education - around 62 %). Educational data shows that the number of students enrolled in primary education as well as expected number of students in secondary education is significantly decreasing and consequently the number of schools will be reduced. Employer's attitudes obtained through the analysis conducted under one of the implemented IPA project (*Strengthening Institutional Framework for the Development of the VET Occupational Standards/Qualifications and Curricula*) show that only 1/3 of employers covered by the survey are satisfied with the level of competences young people have and that the crucial problem is the lack of practical skills needed for particular jobs. Implementation of those projects showed that almost 60% of total investment in the area of introducing new and innovative contents into VET schools was invested in vocational programmes in the following sectors: *agriculture, mechanical engineering, tourism –hospitality, electro technics and information technology and*

healthcare. Having in mind that one of criteria was alignment with local-regional development, these sectors were recognized as prosperous in the context of contribution to further development of particular region. The priority fields and thematic areas identified in the Smart Specialization Strategy and the priority investment fields in VET recognized by the new SEST (to be adopted in 2014) the focus on establishing centres of competences in specific vocational sectors. Establishment of a network of sufficiently equipped VET schools accompanied with the high level of expertise among vocational teachers/mentors will facilitate further development and harmonization of the education system to the labour market at regional level.

Regarding **tertiary level**, since the costs of living represent the highest share of total costs of studying, an insufficient number of student dormitories is an obstacle to access to higher education (HE). The annual cost of living for students who live in private accommodation is 80% higher than the costs of students living in dormitories. The rate of population aged 30-34 with tertiary level education of 23.7% (2012) is below the EU average of 35.8% (2012). The EU2020 national target regarding number of 30-34 year olds with tertiary is 35%. So, measures need to be taken regarding improving access to HE and increasing completion rates. In academic year 2010/11, 520 students from gymnasium and 3.604 students from 4-year VET schools successfully passed state matura exams and fulfilled criteria for entering HE, but did not enroll, very likely because of high living costs of studying outside their place of residence. The existing capacities of student accommodation in Croatia are 10.722 beds. In the academic year 2013/14 4.625 students who applied for student accommodation and fulfilled the criteria, due to insufficient capacity, could not use it. Student accommodation capacity should be at least 10% of the total number of student population. 17% of EU students live in dormitories, and in Croatia only 6.69%. Several studies have suggested that only 59% of total students enrolled in HEIs in Croatia successfully complete their studies, while 41% of students drop out of studies, mostly in the early stages of study. Preliminary analysis shows that one of the main reasons for dropping out is insufficient resources to study.

Technical Assistance to OPCC

The present absorption levels of IPA and Structural and Cohesion Funds' in Croatia could be improved by strengthening administrative capacities. The capacities in terms of specialised administration, including adequate staff resources, both at national, regional and local level should be ensured for the administrations directly involved in the implementation and absorption of ESIF to be more efficient.

Appropriate and efficient implementation of ESIF co-financed programmes in Croatia requires an unprecedented administrative effort in the present and following period. The ministries and other public authorities involved have to be fully prepared to meet the challenge of effective delivery of the programmes' objectives and a timely absorption of the funds. A well-functioning management, monitoring and evaluation system is a key success factor. The deployment of sufficient staffing as well as administrative and technical capacities is fundamental and a prerequisite for an actual functioning of the management and control system

The Managing Authority of OPCC should be fully empowered to ensure strong coordination of and guidance to the Intermediate Bodies (IBs), to enable concentration

and synergies while improving co-ordination and the strategic nature of the programmes and their effective implementation. Ownership of policy sectors should be strongly embedded in the relevant line ministries, in parallel with capacity building for policy design and delivery.

Existing weaknesses in the Croatian administration to ensure a proper level of implementation of the operational programmes will be supported through TA priority axis. The risk of insufficient capacity is higher under the Structural Funds system than it was in IPA, given the shortage and turnover of staff, the need to adapt to new management procedures under the shared management system, including new procurement rules, a broader thematic scope of projects and expected heavier workload linked to the increase of funds.

The IPA experience has demonstrated certain weaknesses in the administrative and technical capacities within the administration. Further efforts are necessary for an effective implementation of the plans to increase administrative capacity for future cohesion policy implementation, better strategic approach in the development of projects and a more mature project pipeline. The effective implementation of the public procurement legislation is essential, both at national and local level. Risk of irregularities, fraud and corruption needs to be addressed as well.

Administrative costs and burden of the management and control system as well as of the beneficiaries will be cut by the use of the e-Cohesion solutions. The EU requirements on result-orientated monitoring and reporting require that sufficient monitoring skills are in place in the Managing Authority and other bodies in the Management and control system. The evaluation culture should be strengthened in the future period.

ERDF TA allocation to OPCC should also be used to support the capacities of project beneficiaries, both in terms of information and advice on EU funding opportunities, as well as the preparation, tendering and implementation of the projects.

1.1.2 A justification for the choice of thematic objectives and corresponding investment priorities having regard to the partnership agreement, based on an identification of regional and, where appropriate, national needs including the need to address the challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and the relevant Council recommendations adopted in accordance with Article 148(4) TFEU, taking into account the ex-ante evaluation.

Table 1: Justification for the selection of thematic objectives and investment priorities

| Selected thematic objective | Selected investment priority | Justification for selection |
|---|--|---|
| 01 - Strengthening research, technological development and innovation | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest | In order to contribute to the Europe2020 headline target and to achieve the increase of the total domestic expenses for development of R&D to 1.4% of the GDP by 2020, which is the goal set up in the Croatian Partnership agreement , it is necessary to invest in R&D infrastructure, capacities of research performance conducted by HEIs/ROs and scientific excellence. |
| 01 - Strengthening research, technological development and innovation | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies | Commission Position Paper puts focus on creating good conditions to increase private expenditures on R&D through strengthening of the RDI capacity of enterprises, enhancing cooperation with R&D institutions and creation of institutional system supporting RDI activities of business sector. As assessments of needs and potentials in the Croatian Partnership Agreement show, the major obstacle for the increase of private spending in R&D sector is weak innovation capacity of companies, weak R&D potential, limited interest for collaboration between industry and R&D institutions and inadequate institutional support system to foster innovation. According to Country Specific Recommendations on Croatia's 2014 National Reform Programme and Croatia's 2014 Convergence Programme, the share of government co-funding in business R&D expenditure was nearly zero in 2012. The ESI funds use for R&D is recognized as only real prospect for increasing Croatia's investment in RDI capacity in the coming years. |
| 02 - Enhancing access to, and use and quality of, information and communication | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption | Europe2020 Strategy underlines importance of broadband deployment to promote social inclusion and competitiveness in the EU. One of the main |

| Selected thematic objective | Selected investment priority | Justification for selection |
|--|---|--|
| technologies | of emerging technologies and networks for the digital economy | <p>priorities that Digital Agenda Europe promotes is reducing of digital divide. As identified in Commission Position Paper, Croatia is lagging behind the EU average broadband penetration level, and Croatian economy would benefit from an improved access to next generation access networks. The main result that Croatia seeks to achieve for ESI Fund by this investment priority as presented in the Partnership Agreement and reflecting country specific challenges to be supported is to improve NGN broadband communication infrastructure and access in underserved areas. Economic Programme of Croatia 2013 includes measures for development of broadband access infrastructure to ensure efficient competition, accessibility of broadband services, and increase of the demand for broadband services and the use of broadband access for citizens and economic entities.</p> |
| 02 - Enhancing access to, and use and quality of, information and communication technologies | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health | <p>Europe 2020 Strategy underlines deployment and usage of modern accessible online services (e.g. e-government, online health, smart home, digital skills, security etc.). Commission Position Paper identified development of ICT and e-government applications (including e-health services) as a respond to economic and societal challenges as well as enhancement of innovation, the modernisation of public administration and access to the services by citizens and enterprises. Croatian Partnership Agreement acknowledges that the level of provision and use of e-public services is relatively low. Public e-services in Croatia are to a greater extent provided to companies than to citizens. At the same time, the deployment of ICT is becoming a critical element for better delivery of policy objectives. National Reform Program 2014 outlines the need for the implementation of ICT application as tool for policy and</p> |

| Selected thematic objective | Selected investment priority | Justification for selection |
|---|--|---|
| | | service delivery in all reform areas. |
| 03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF) | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators | <p>EC's In-Depth Review, Macroeconomic Imbalances Croatia 2014 points out that the European Commission and EIB are proposing an initiative to boost lending to SMEs thus recognising the need for financial interventions.</p> <p>Supporting competitiveness of enterprises is formulated as a funding priority in the Commission Position Paper, as is access to finance for SMEs and further development of higher value-added business support services. Enterprises should be supported during their lifecycle aiming at an increased productivity and overall competitiveness.</p> |
| 03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF) | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes | <p>Supporting modernisation and competitiveness of enterprises is the funding priority in the Commission Position Paper. Within the scope of Europe 2020 Strategy, and flagship initiative An Industrial Policy for the Globalisation Era, stresses the importance of creating innovation conducive ecosystem. Croatian SME Development Strategy 2013-2020 sets national strategic objectives on the track of relevant EU papers, and Croatian S3 Strategy investments in sectors with the highest growth potential.</p> |
| 04 - Supporting the shift towards a low-carbon economy in all sectors | 4b - Promoting energy efficiency and renewable energy use in enterprises | <p>Necessity to reach EU and national goal set by Europe 2020 strategy and Croatian National Energy Strategy respectively, of 20% share of renewable energy in gross final energy consumption and 20% reduction in primary energy consumption (and 20% reduction of GHG). Since energy use in the economic activities is</p> |

| Selected thematic objective | Selected investment priority | Justification for selection |
|--|---|--|
| | | <p>characterised as largely carbon based and energy intensive both in industry and service sector, which has negative impacts on the energy / climate policies and targets but also reducing competitiveness of the enterprises, it is necessary to secure that enterprises contribute to the achievement of the RES (primarily 20% share in cooling/heating) and EE (19% in services) targets in order to comply with the EU 2020 objective but that will also reduce their costs and thus increase competitiveness. Both EC Position paper and Partnership Agreement stipulate the promotion of energy efficiency and renewable energy use in the economic sector as priorities to be supported by the ESIF.</p> |
| <p>04 - Supporting the shift towards a low-carbon economy in all sectors</p> | <p>4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector</p> | <p>With buildings being the largest consumer of the energy, this IP will be the main contributor to the Europe 2020 Strategy and Croatian Energy Strategy goal of 20% increase in energy efficiency by the 2020, since housing sectors (including residential buildings) are set as those where biggest savings are to be obtained (34%). Goal of increasing share of renewables in the consumption will be contributed as well, with particular emphasis in terms of providing independent solutions for energy supply thereby contributing to the fulfilment of national targets for electricity production but particularly for production of energy for cooling/heating, but also to the security of supply, being one of the main goals at the EU and Croatian level. Similarly, investments in corresponding improvements of the public energy infrastructure (district heating system and public lighting) will contribute to the more efficient usage of resources and reduction of GHG emissions.</p> |
| <p>04 - Supporting the</p> | <p>4d - Developing and</p> | <p>Current distribution system at low and</p> |

| Selected thematic objective | Selected investment priority | Justification for selection |
|--|---|--|
| shift towards a low-carbon economy in all sectors | implementing smart distribution systems that operate at low and medium voltage levels | medium level is largely out-dated, with insufficient application of new technologies (including very limited coverage of advanced/smart grids). Therefore the improvements within the system should contribute to the increased supply security level (as one of three main priorities of the Croatian Energy Strategy and Economic Programme), but also to the more efficient management of (energy) resources and thereby reduced costs and GHG emissions thus contributing to the objectives set under the Resource efficient Europe flagship initiative. As a particular feature, the grid improvements will allow for introduction of additional RES generation, and improving efficiency of energy system by its more efficient distribution and usage thus contribution to the Europe 2020 targets in the energy sector. These objectives are fully compliant with the EC Position paper which stipulates inter alia investment in grid access as a priority. |
| 05 - Promoting climate change adaptation, risk prevention and management | 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches | Due to vulnerability of its natural and economic system, Croatia needs to take active measures in terms of adaptation to climate change which is one of the measures established under Resource efficient flagship initiative of the Europe 2020 . This is also compliant with the EC Position paper which stipulates on the one hand support to the preparation and implementation of adaptation measures and on the other hand awareness raising and capacity building activities as priorities to be supported by the ESI funds. Therefore, for the beginning Croatia needs to focus on strengthening capacities for climate change adaptation measures, further research and understanding of climate change effects and subsequently implementation of investments addressing most urgent adaptation needs. |

| Selected thematic objective | Selected investment priority | Justification for selection |
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| 05 - Promoting climate change adaptation, risk prevention and management | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems | <p>Europe 2020 Strategy stipulates the need to increase the economies' resilience to climate risks, and capacity for disaster risk reduction. Relevant sectoral strategies (National Protection and Rescue Plan, National plan for irrigation, Water Strategy, Preliminary floods risk assessment) set the measures and goals that are in line with the above mentioned EU level objective. These objectives are fully compliant with the EC Position paper which stipulates irrigation system, droughts, fires and water management (floods) and other identified major risks as priorities to be supported by the ESI funds, including fighting coastal flooding.</p> |
| 06 - Preserving and protecting the environment and promoting resource efficiency | 6c - Conserving, protecting, promoting and developing natural and cultural heritage | <p>Promoting sustainable growth i.e. economic growth linked with more efficient use of resources is a clear priority of the Europe 2020 Strategy. On a national level the Economic Programme sets the priority in terms of development of entrepreneurship in culture and creative industries, as well as investments in preserving cultural heritage with respect to their significant influence in the development of tourist activities, entrepreneurship in general and new job creation. Similarly the EC Position Paper highlights the need for enhanced protection, valorisation and management of the (natural) cultural heritage while considering its touristic/business potential.</p> |
| 06 - Preserving and protecting the environment and promoting resource efficiency | 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures | <p>Sustainable urban development and urban reconstruction are identified as reform measure in the Croatian Economic programme. The measures relate inter alia with more efficient management of resources (physical space) and re-use of the abandoned city sites and improvement of environmental conditions within urban</p> |

| Selected thematic objective | Selected investment priority | Justification for selection |
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| | | areas primarily quality of ambient air. |
| 06 - Preserving and protecting the environment and promoting resource efficiency | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements | The Accession Treaty sets the transitional periods for compliance with the EU waste directives (Landfill of waste) in terms of gradual reduction of paper, glass, metal, plastic, construction and biodegrade waste on landfills by 2020 and a gradual reduction of waste landfilled in existing non-compliant landfills by 2018. Economic Programme stipulates the need to significantly improve existing waste management system. The EC Position Paper also highlights the need for compliance with directives along with preparation of Waste management Plan and Waste Recovery programme as top priorities to be supported by the ESI funds. |
| 06 - Preserving and protecting the environment and promoting resource efficiency | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements | The Accession Treaty sets the transitional periods for compliance with the EU water directives (Drinking water directive and Urban waste water directive) in terms of achieving targets for drinking water quality by end of 2018 and setting the adequate collection and treatment of waste waters in the agglomerations above 2000 p.e. by the end of 2023 (with intermediary deadline in 2018 and 2020 depending on the size of agglomeration and sensitivity of the area). In addition to the mentioned obligations the EC Position paper and the Partnership Agreement stipulate the integrated water management policy as top priorities to be supported by the ESI funds while the sustainable water management is set as one of the reform measures in the Croatian Economic programme. |
| 06 - Preserving and protecting the environment and promoting resource | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, | Europe 2020 sets the need for achieving biodiversity targets, covered by the EU 2020 Biodiversity Strategy and in overall |

| Selected thematic objective | Selected investment priority | Justification for selection |
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| efficiency | including through Natura 2000, and green infrastructure | relating to the reversing biodiversity loss and speeding up the transition towards resource efficient economy. Further on defined priorities and activities stem from the clear obligation of Croatia (as a new EU member state) to comply with requirements for biodiversity conservation (Birds and Habitats Directives) related to the designation and adequate management of Natura 2000 sites. The aforementioned priorities are contained in the Strategy and Action Plan for the Protection of Biological and Landscape diversity of the Republic of Croatia (NBSAP, 2008) as well as Economic programme. Finally EC position paper established as priorities to be supported by the ESI funds measures related to establishment and management of Natura 2000 sites (including marine protected areas under MSFD), restoration and preservation of habitats, as well as land mines contamination. |
| 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes | The Integrated Guidelines encourage Member States to develop the necessary physical infrastructure to improve the business and consumer environment. The Green Paper on Territorial Cohesion recognises the role of transport policy in improving territorial cohesion through improving connections to and within less developed regions, and ensuring urban and rural areas benefit from the transport network. The Commission Position Paper supports investment in creation of an integrated transport system through the construction of road links to TENs to ensure regional connectivity to the core network and multi-modal nodes, and improved road safety. The quality of regional roads in Croatia and their level of connectivity to the main transport networks needs to be improved to ensure that the benefits of the TENs network can be felt in urban and rural areas and hence contribute to the reduction |

| Selected thematic objective | Selected investment priority | Justification for selection |
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| | | of regional disparities. |
| 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures | 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T | <p>The EU TEN-T policy advances sustainable transport solutions which lead the process towards the achievement of the European Union's long-term transport policy objectives (meeting future mobility needs while ensuring resource efficiency and reducing carbon emissions). The Commission Position Paper stresses the need for eliminating bottlenecks and completing missing transport links. The development of a well-functioning intermodal transport system including the connection of inland waterways and ports with maritime ports and airports with other modes, and the removal of bottlenecks in inland waterways are country-specific challenges that should be addressed through ESI investment. The draft national transport strategy of Croatia identifies the role that could be played by the currently underused inland waterways in the movement of freight across Croatia and Europe, and in enhancing connectivity within the Single European Transport Area.</p> |
| 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility | <p>The White Paper on Transport established that cohesion policy support should be focused upon sustainable forms of transport – with a reduction of 60% of greenhouse gases by 2050 required by the transport sector. The 2013 Economic Programme of Croatia stipulates the development of transportation infrastructure as a priority in order to mitigate the effects on economic growth. The areas of Dubrovnik and the islands suffer from differential demand for transportation between the low and high season. With current infrastructure, the connections are insufficiently capable of dealing with peak flows and ensuring adequate access to services. The Commission Position Paper</p> |

| Selected thematic objective | Selected investment priority | Justification for selection |
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| | | <p>notes that transport links within Croatia’s agglomerations do not enable sufficient mobility. Urban mobility systems need to be developed in major cities, based on an urban development plan integrating all forms of transport, with sustainable and clean solutions to be prioritised.</p> |
| <p>07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures</p> | <p>7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures</p> | <p>The Commission Position Paper recommends that in developing a balanced transport network in Croatia, priority should be given to the railway sector. Specific challenges identified include facilitating the shift of road freight transport to rail, modernizing existing rail corridors and ensuring interoperability, and developing a well-functioning intermodal transport system by investing in multi-modal and interoperable corridors and nodes, especially in the railway sector. This is in line with the White paper on Transport which considers the modal shift for freight from road to rail to be a key goal. The 2013 Economic Programme of Croatia aims to create a single interoperable railway system and the improvement of the railway transport as one of the reform measures. The general poor condition of rail infrastructure and stock has led to a trend whereby the sector suffers a consistently declining share of modal split.</p> |
| <p>09 - Promoting social inclusion, combating poverty and any discrimination</p> | <p>9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to</p> | <p>Croatia has one of the highest rates of people at risk of poverty and social exclusion in EU, amounting to 1,370,000 people or 32.3% of total population in 2012. Croatia’s goal in line with National Reform Programme is to decrease it by 150,000 by 2020. A large number of beneficiaries of the social welfare system are also in some form of institutional care.</p> <p>Commission's Position Paper puts focus on access to affordable, sustainable, high-</p> |

| Selected thematic objective | Selected investment priority | Justification for selection |
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| | community-based services | <p>quality health and social services, transition from institutional to community-based care and reduction of inequalities in access, especially for vulnerable groups.</p> <p>Investments will focus on expanding and diversifying such services and making them more accessible. In order to support social inclusion and the right of people to life in the community, investments to support deinstitutionalisation process of services and broadening the network of community-based services will be financed through ERDF, ESF and EAFRD in a complementary manner.</p> |
| 09 - Promoting social inclusion, combating poverty and any discrimination | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas | <p>Croatia has one of the highest rates of people at risk of poverty and social exclusion in EU, amounting to 1,370,000 people or 32.3% of total population in 2012 and Croatia's goal according to the National Reform Programme 2014 is to decrease it by 150,000 by 2020. Specific and complex needs of degraded areas require integrated investments, contributing to the reduction of poverty and social exclusion.</p> |
| 10 - Investing in education, training and vocational training for skills and lifelong learning | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure | <p>Integrated guidelines invite Member States for "improving the quality and performance of education and training systems at all levels".</p> <p>EU2020 establishes the headline targets for education and lifelong learning development:</p> <ul style="list-style-type: none"> • Reducing early school leaving to less than 10%, • At least 40% of 30-34-year-olds completing tertiary or equivalent education. |

| Selected thematic objective | Selected investment priority | Justification for selection |
|-----------------------------|------------------------------|--|
| | | <p>The flagship EU2020 initiative “An agenda for new skills and jobs” sets forth that development of educating infrastructure is required in order to reach the skills development and their suitability objective.</p> <p>To improve skills level of the population, address the challenge of matching labour market skills demand and supply, improve vocational education and training outcomes and enhance participation in the education system is the funding priority for ESI Funds, formulated in the Commission Position Paper. Funds should invest in improving the quality, efficiency and openness of the education system</p> |

1.2 Justification for the financial allocation

Justification for the financial allocation (Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

The OPCC 2014-20 ESIF allocation is 6.8bn EUR, presenting significant means of addressing the needs and opportunities within critical policy sectors of Croatia’s socio-economic development. ERDF allocation is around 4.3bn EUR, combined with 2.6bn EUR of CF.

The commitment of these funds per each Priority Axis (PA) respectively, is consistent with the foreseen thematic concentration of expenditure on a limited number of thematic objectives (TOs) and investment priorities (IPs), with focus on achieving set specific objectives (SOs), in order to maximise the contribution to Cohesion policy and Europe2020’s goals and reach critical mass of support.

The required financial resources at IP level are driven not only by applicable provisions on thematic concentration, regarding both of Croatia’s less developed regions, but also by strategic objectives of the national development plans, regional development policies and sectoral strategies. The decisions on the funding priorities have also been shaped on the results achieved during 2007-13 and the challenging financial and economic context. Estimates of the costs of implementation and administration of proposed activities have also been taken into account.

Under OPCC, about 57% of ERDF resources are allocated to supporting R&D, technological development and innovation, the digital agenda, the competitiveness of

SMEs, and the shift to low-carbon economy, which presents about 12% of SF allocation to Croatia.

Under PA1, 15.4% of total ERDF funding under OPCC will be allocated to respectively TO1 IPs: 1a and 1b. Spending will contribute to the achievement of the national RDI headline target, increase the investments in R&D to 1.4% of GDP by 2020 and will be aligned with strategic objectives to improve R&D rate of return and innovation performance and achieve measured productivity growth.

Under PA 2, 7.3 % of ERDF under OPCC will be allocated to respectively TO2 IP 2a where spending will be focused on upgrading the existing broadband speed, to increasing the number of backhaul NGN connection points in target areas and of households taking up broadband subscriptions, thus directly contributing to the fulfilment of the Digital Agenda Europe (DAE) targets for high-speed broadband coverage till 2020; and to IP 2c, contributing to the achievement of a DAE goal and reflecting on Commission's recommendations to invest in ICT and e-government, to respond to economic and societal challenges, enhancing innovation and modernisation of public administration and access to services by citizens and enterprises.

Under PA3, 22.44% of total ERDF funding under OPCC will be allocated to IPs 3a and 3d. Focus will be on greater levels of business investments, creating jobs and increased contribution to export earnings by SMEs, the majority of allocation focusing on direct support to SMEs through financial instruments, grants, advisory and training services, and a smaller portion to improve the BSOs' services and physical infrastructure. Planned investments are aligned with the Commission's recommendations and national SME Development Strategy 2013-20, set on improvement of the economic activity of SMEs, bridging the financial gap, development of new and supporting active businesses, enhancement of entrepreneurial skills and environment in the sense of ensuring adequate business support services, networking, clusters and ICT uptake.

Under PA4, 12.31% of total ERDF funding under OPCC will be allocated to TO4's IPs: 4b, 4c, and 4d. The amount corresponds to the requirement to allocate at least 12% of ERDF allocation on TO4 (for less developed regions). The focus of activities and correspondingly financial allocation will be on IP 4c, dedicated to energy efficiency and RES measures in public infrastructure (including residential buildings), i.e. activities directly related to the fulfilment of obligation from the Energy Service Directive and to the fulfilment of the Europe2020 headline targets related to the share of RES and decrease in energy consumption.

Under PA5, 5.6% of ERDF funding will be allocated to TO5 IPs: 5a and 5b. Implementation of PA5 is somewhat specific because it is envisaged in two phases: until the Climate change adaptation and Disaster Risk assessment are prepared (by 2016 and 2015 respectively) only preparatory measures (such as: strengthening capacities data gathering, project preparation etc.) will be financed under this PA while the concrete (infrastructure) investments will follow subsequently.

Under PA6, 7,8% of ERDF and 64.4% of CF funding will be allocated to TO6 IPs: 6i, 6ii, 6c, 6iii and 6e. PA6 has the largest allocation under OPCC, since it is mainly acquis compliance based with the majority of resources dedicated to the IPs directly linked with

the fulfilment of EU provisions in the water and waste management sectors and nature protection (Natura 2000). The largest share of financing will be dedicated to water supply, sewerage and waste water treatment due to the fact that the water sector requires the biggest investments in order to ensure compliance. Despite high resources available under OPCC, additional resources will be needed, with part of them already being secured and implemented via loans by IFIs.

Under PA7, 9.25% of ERDF and 35.56% of CF funding will be allocated to IPs: 7i, 7b, 7ii and 7iii. Financial distribution reflects the priority of decreasing greenhouse gas emission in line with Europe2020 and Commission's recommendations. Majority of financial resources under this PA will be allocated to investments in railways, regional roads, clean public and urban transport. Complementary to the mentioned allocation, around 450 MEUR of CF will be invested in the railway sector under the Connecting Europe Facility.

Under PA8, 8.7% of ERDF is allocated to TO9. The largest share will be dedicated to TO9 IP9i. Health and social care sectors, due to the process of deinstitutionalisation, requiring investments to contribute to the fulfilment of national plans. Regarding regeneration of deprived communities, models for implementation of integrated actions need to be piloted for a full roll-out to begin. In complementarity with the ESF interventions, activities under TO9 will contribute to the national headline target regarding the number of people at risk of poverty.

Under PA9, 6% of ERDF funding will be allocated to TO10 IP 10i. Together with those envisaged under the ESF under TO10, interventions will contribute to the national headline targets regarding share of population in connection to early school leaving and with completed tertiary education, areas also recognised by the Commission.

Allocation to PA10 Technical Assistance (TA) is 5% of ERDF. Although there is experience with TA in earlier EU funded projects, growing needs due to an increasing number of bodies in the 2014-20 system are a clear indicator that building of capacities will be the main concern of PA10, both at national and regional level.

Table 2: Overview of the investment strategy of the operational programme

| Priority axis | Fund | Union support (€) | Proportion of total Union support for the operational programme | Thematic objective / Investment priority / Specific objective | Common and programme-specific result indicators for which a target has been set |
|---------------|------|-------------------|---|---|---|
| 1 | ERDF | 664,792,165.00 | 9.66% | <ul style="list-style-type: none"> ▼ 01 - Strengthening research, technological development and innovation <ul style="list-style-type: none"> ▼ 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest <ul style="list-style-type: none"> ▼ 1 - Increased R&D&I ability for conducting top quality research and cooperation on national and international levels ▼ 2 - Centres of Research Excellence performing excellent science ▼ 3 - Research organizations conducting R&D&I projects directed towards the needs of economy ▼ 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies <ul style="list-style-type: none"> ▼ 1 - Increased R&D&I activities of enterprises ▼ 2 - R&D&I activities of business sector increased through creation of favourable innovation environment ▼ 3 - Social changes improving communities' quality of life introduced | [1a11, 1a21, 1a31, 1b11, 1b31] |
| 2 | ERDF | 318,952,676.00 | 4.64% | <ul style="list-style-type: none"> ▼ 02 - Enhancing access to, and use and quality of, information and communication technologies <ul style="list-style-type: none"> ▼ 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy <ul style="list-style-type: none"> ▼ 1 - Development of NGN broadband infrastructure in areas without sufficient commercial interest for investments in NGN broadband infrastructure, for maximum increase of social and economic benefits ▼ 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health <ul style="list-style-type: none"> ▼ 1 - Increase of the use of ICT in communication between the citizens and public administration through establishment of ICT coordination structure and software solutions | [2c11, 2c12, 2a11] |

| Priority axis | Fund | Union support (€) | Proportion of total Union support for the operational programme | Thematic objective / Investment priority / Specific objective | Common and programme-specific result indicators for which a target has been set |
|---------------|------|-------------------|---|--|---|
| 3 | ERDF | 970,000,000.00 | 14.10% | <ul style="list-style-type: none"> ▼ 03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF) <ul style="list-style-type: none"> ▼ 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators <ul style="list-style-type: none"> ▼ 3a1 - Easy access to finance for SMEs, including start-ups ▼ 3a2 - Favourable environment for entrepreneurship development ▼ 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes <ul style="list-style-type: none"> ▼ 3d1 - Improvement of SMEs' performance and growth ▼ 3d2 - Improvement of SMEs innovativeness | [3a11, 3a21, 3d11, 3d21] |
| 4 | ERDF | 531,810,805.00 | 7.73% | <ul style="list-style-type: none"> ▼ 04 - Supporting the shift towards a low-carbon economy in all sectors <ul style="list-style-type: none"> ▼ 4b - Promoting energy efficiency and renewable energy use in enterprises <ul style="list-style-type: none"> ▼ 4b1 - Increasing energy efficiency and use of RES in manufacturing industries ▼ 4b2 - Increasing energy efficiency and use of RES in private service sector (tourism, and trade) ▼ 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector <ul style="list-style-type: none"> ▼ 4c1 - Reduction of energy consumption of the public sector buildings ▼ 4c2 - Reduction of energy consumption of the residential buildings (multi apartment buildings and family houses) ▼ 4c3 - Improvement of the efficiency of the district heating system ▼ 4c4 - Improvement of the efficiency of the public lighting system ▼ 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels <ul style="list-style-type: none"> ▼ 4d1 - Introducing smart grids in the pilot areas | [4d11, 4c11, 4c21, 4c31, 4c41, 4b12, 4b11, 4b22, 4b21] |

| Priority axis | Fund | Union support (€) | Proportion of total Union support for the operational programme | Thematic objective / Investment priority / Specific objective | Common and programme-specific result indicators for which a target has been set |
|---------------|------|-------------------|---|--|--|
| 5 | ERDF | 245,396,147.00 | 3.57% | <ul style="list-style-type: none"> ▼ 05 - Promoting climate change adaptation, risk prevention and management <ul style="list-style-type: none"> ▼ 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches <ul style="list-style-type: none"> ▼ 5a1 - Establishment of the system for climate change monitoring, forecasting and planning of climate change adaptation measures ▼ 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems <ul style="list-style-type: none"> ▼ 5b1 - Increasing capacities and equipping for risk management on the national and regional level | [5b11, 5a11] |
| 6 | ERDF | 338,020,392.00 | 4.91% | <ul style="list-style-type: none"> ▼ 06 - Preserving and protecting the environment and promoting resource efficiency <ul style="list-style-type: none"> ▼ 6c - Conserving, protecting, promoting and developing natural and cultural heritage <ul style="list-style-type: none"> ▼ 6c1 - Enhancing protection and management of cultural heritage for development of tourism and other economic activities ▼ 6c2 - Increasing attractiveness and sustainable usage of natural heritage ▼ 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures <ul style="list-style-type: none"> ▼ 6e1 - Upgrade of air quality management and monitoring system according to 2008/50/EC directive ▼ 6e2 - Rehabilitation of brownfields (ex-industrial and / or ex-military sites) within ITI | [6e11, 6e21, 6c11, 6c21, 6ca11, 6ca24, 6cb11, 6cb23, 6cb24, 6cc11, 6cc21, 6cc31] |
| 6 | CF | 1,649,340,216.00 | 23.97% | <ul style="list-style-type: none"> ▼ 06 - Preserving and protecting the environment and promoting resource efficiency <ul style="list-style-type: none"> ▼ 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements <ul style="list-style-type: none"> ▼ 6i1 - Decreased generation and increased recycling, reuse and recovery of waste ▼ 6i2 - Establishment of an integrated waste management system in order to decrease the amount of waste being landfilled and waste related risk ▼ 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements <ul style="list-style-type: none"> ▼ 6ii1 - Improvement of the public water supply system with the purpose of assuring quality and safety of | [6e11, 6e21, 6c11, 6c21, 6ca11, 6ca24, 6cb11, 6cb23, 6cb24, 6cc11, 6cc21, 6cc31] |

| Priority axis | Fund | Union support (€) | Proportion of total Union support for the operational programme | Thematic objective / Investment priority / Specific objective | Common and programme-specific result indicators for which a target has been set |
|---------------|------|-------------------|---|---|---|
| | | | | <p>water supply for drinking water</p> <ul style="list-style-type: none"> ▼ 6ii2 - Development of sewerage system and collection of waste water treatment with the aim to contribute to improvement of water status ▼ 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure <ul style="list-style-type: none"> ▼ 6iii1 - Improved knowledge on the state of biodiversity as a basis for effective management of biodiversity ▼ 6iii2 - Improved framework for sustainable management of biodiversity (primarily Natura 2000) ▼ 6iii3 - Restoration and protection of forests and forest land in protected and Natura 2000 areas, including mine clearance, forest fire protection and preservation of water resources, maintaining and enhancing ecosystem services | |
| 7 | ERDF | 400,000,000.00 | 5.81% | <ul style="list-style-type: none"> ▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures <ul style="list-style-type: none"> ▼ 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes <ul style="list-style-type: none"> ▼ 7b1 - Enhanced regional mobility and connectivity through upgrading regional roads and elimination of major bottlenecks ▼ 7b2 - Development of road safety related infrastructure | [7cc11, 7cc12, 7b11, 7b21, 7ca11, 7cb11, 7cb21, 7cb31] |
| 7 | CF | 910,205,755.00 | 13.23% | <ul style="list-style-type: none"> ▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures <ul style="list-style-type: none"> ▼ 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T <ul style="list-style-type: none"> ▼ 7i1 - Modernisation of key TEN-T inland waterways infrastructure ▼ 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility <ul style="list-style-type: none"> ▼ 7ii1 - Improved territorial cohesion, connectivity and accessibility of islands ▼ 7ii2 - Developing intelligent, sustainable and integrated low-carbon urban public transport | [7cc11, 7cc12, 7b11, 7b21, 7ca11, 7cb11, 7cb21, 7cb31] |

| Priority axis | Fund | Union support (€) | Proportion of total Union support for the operational programme | Thematic objective / Investment priority / Specific objective | Common and programme-specific result indicators for which a target has been set |
|---------------|------|-------------------|---|--|---|
| | | | | <ul style="list-style-type: none"> ▼ 7ii3 - Improved accessibility of Dubrovnik by air ▼ 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures ▼ 7iiil - Upgrading and improvement of the rail network to promote a modal shift | |
| 8 | ERDF | 376,500,000.00 | 5.47% | <ul style="list-style-type: none"> ▼ 09 - Promoting social inclusion, combating poverty and any discrimination ▼ 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services <ul style="list-style-type: none"> ▼ 1 - Improving access to primary and emergency health care, with focus on isolated and deprived areas ▼ 2 - Improving efficiency and access to hospital care for vulnerable groups ▼ 3 - To promote social inclusion and reducing inequalities by improved access to social services and transition from institutional to community-based services through improved social infrastructure ▼ 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas <ul style="list-style-type: none"> ▼ 1 - Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty | [9a11, 9a21, 9a31, 9b11] |
| 9 | ERDF | 259,914,791.00 | 3.78% | <ul style="list-style-type: none"> ▼ 10 - Investing in education, training and vocational training for skills and lifelong learning ▼ 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure <ul style="list-style-type: none"> ▼ 1 - To develop digitally mature schools ready to use the potential of ICT in education and development of 21st century skills needed on the job market ▼ 2 - Modernization and improvement of accommodation infrastructure in higher education to improve access and completion for students with poor socio-economic status ▼ 3 - Increasing relevance of vocational education by improving the conditions for the acquisition of practical skills in targeted sectors of vocational education and vocational education at the level of HE | [10a11, 10a21, 10a22, 10a31] |

| Priority axis | Fund | Union support (€) | Proportion of total Union support for the operational programme | Thematic objective / Investment priority / Specific objective | Common and programme-specific result indicators for which a target has been set |
|---------------|------|-------------------|---|---|---|
| 10 | ERDF | 216,112,612.00 | 3.14% | TA1 - Effective coordination and utilization of Cohesion policy funds in Croatia ensured TA2 - Potential beneficiaries and general public effectively informed on the ESI funds implementation | [TA1.1, TA2.1] |

2. PRIORITY AXES

2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

2.A.1 Priority axis

| | |
|-----------------------------------|--|
| ID of the priority axis | 1 |
| Title of the priority axis | Strengthening the Economy through Application of Research and Innovation |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

2.A.4 Investment priority

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| ID of the investment priority | 1a |
| Title of the investment priority | Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |

2.A.5 Specific objectives corresponding to the investment priority and expected results

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| ID of the specific objective | 1 |
| Title of the specific objective | Increased R&D&I ability for conducting top quality research and cooperation on national and international levels |
| Results that the Member States seek to achieve with Union support | <p>The objective of the IP 1.1.1 is to foster a research system open to innovation, excellent by performance and attractive to best talents. This will be achieved by supporting projects that integrate organizational reform, infrastructural investments, development of R&D&I human capacities and research activities whose aim is to ensure implementation of top quality scientific and technological research and further flow of knowledge and skills that can effectively contribute to social development and economic growth. Low number of scientific results (measured by the number of new concepts, products, services, patents, applications, trademarks, licenses etc.) is caused by low quality of research equipment and related infrastructure, inadequate use of scientific potentials (human resources), organisational barriers and low quality of conducted research. With investments in R&D&I, projects that integrate all components mentioned above, the key obstacles to conduct top quality research activities in public and private research organizations (ROs) in Croatia will be reduced.</p> <p>Draft Strategy for Education, Science and Technology puts in the spotlight need for changes and structural transformation of the Croatian science required in order to contribute to the full extent to the global fund of knowledge, but also to social and economic development, job creation and quality of life improvement. One of the objectives of the Strategy is transformation/reorganisation of ROs to internationally competitive public universities and public scientific institutes that create new scientific, social and economic value.</p> <p>Croatian Research and Innovation Infrastructures Roadmap (Roadmap) provides the official list of all currently available units of capital equipment in Croatia. Most of the R&D&I equipment and infrastructure in Croatia is outdated and in that sense cannot serve the needs of economy. R&D&I equipment and infrastructure (including e-infrastructure) is also scattered and fragmented and many RDI organizations do not possess capital equipment at all. With investments in integrated projects through this SO, this problem will be largely reduced. The integrated projects will also enable the concentration of resources through the organisational changes in the research organisations, creating more efficient research system supportive to S3</p> |

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| | <p>priority areas. The improved research environment will also increase employment of researchers, including young researchers and ensure conditions for their and senior scientist's scientific excellence.</p> <p>The implemented projects will create preconditions for attainment and attraction of top researchers that will perform cutting-edge research, research aimed at increasing industrial competitiveness and for addressing social challenges. The projects will have a direct implication on stronger cooperation of R&D&I organizations and their collaboration with business sector. As a result of projects the capacities of ROs in priority areas identified within S3 and Roadmap will increase. It will enable these ROs to perform research activities better as well as to increase the cooperation with business and other research organisations on national and international level.</p> <p>The interventions foreseen under this SO are complementary to Croatian priorities within Horizon 2020 and other initiatives focused on research infrastructure and spreading excellence (e.g. ERIC, EMPIR, Eurostars, etc.).</p> |
| ID of the specific objective | 2 |
| Title of the specific objective | Centres of Research Excellence performing excellent science |
| Results that the Member States seek to achieve with Union support | <p>The problem of low performance of Croatian RDI organizations that hinders the path to the research excellence could be seen in several aspects. In terms of scientific production, citation-based impact can be considered as an indicator of the quality of scientific research. According to Innovation Union Scoreboard, Croatian performance (3.2) significantly lags behind the EU average (10.9) in terms of scientific publications among top 10% most cited publications worldwide as % of total scientific publications of the country. Lagging performances of R&D&I organizations are primarily a result of insufficient investment in R&D. Gross expenditure in R&D as percentage of GDP in 2012 was 0.75%, in comparison to EU-28 average of 2.07% that resulted with less competitive and less collaborative research system in Croatia. Unsatisfactory level of participation of research organizations/researchers in European-wide projects, programmes and initiatives (especially as a leading partner) also represents a problem. For example, FP7 participation and average success rate of 17.04% of applicants from Croatia in the period from 2007 to 2012 is below the EU-28 average (21.89%). Problems identified above should be tackled by selective institutional approach based on the principle of excellence through projects supported within Centres of Research Excellence (CoRE).</p> <p>In coming years, in accordance with the Law on Science and Higher education, Republic of Croatia will establish national</p> |

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| | <p>CoRE as a scientific organizations or the integral part of certain scientific organization or a group of scientists that according to their originality, importance and actuality of results of specific scientific work can be qualified and rated (within their specific field of expertise) amongst the most respected scientific organizations or groups in the World. CoRE will focus their activities on conducting research in crucial areas identified from the point of view of prospects of Croatian and European economy.</p> <p>The support within this specific objective will be provided to national CoRE for conducting research projects that are beyond single individual scientific results and for performing R&D&I at a very high level in terms of measurable scientific production and technological innovation.</p> <p>One of the main objectives of CoRE will be to develop cooperation with international research organizations, to contribute to establishing specialized, globally prominent research teams in Croatia which apply the best world practices in terms of identification of research programmes and topics. The support will cover R&D&I activities within the project, in particular applied research and development, cooperation between partners, knowledge transfer as well as development of human potential in related areas.</p> <p>In order to receive support, research must be in line with the priorities set in the Croatian Smart Specialization Strategy. In a wider perspective, this will positively contribute to unify European Research Area through networking of scientists and flow of ideas and knowledge.</p> <p>The result of the interventions under this SO will be a number of projects conducted by CoREs, which will increase the quality of research conducted in Croatia, measured by an increase in the total number of scientific publications published in the journals indexed in the Web of Science which is an indicator that measures quality of scientific research.</p> |
| ID of the specific objective | 3 |
| Title of the specific objective | Research organizations conducting R&D&I projects directed towards the needs of economy |
| Results that the Member States seek to achieve with Union support | This specific objective will focus on financing R&D&I projects initiated by the research organizations with the clear aim to respond to the needs of economy. It is envisaged that only those R&D&I projects which serve these needs by improving the R&D&I productivity and technological dissemination and / or by aiming at solving practical problems for industry and |

society, in order to speed up the market uptake of new knowledge and technologies at national level, of HEIs and ROs will be supported. In addition to the mentioned way of shifting the ROs to the needs of economy, it is also envisaged to focus the support under this SO to R&D&I projects carried out by ROs in partnership with enterprises. The projects are aimed to expand the knowledge base in the areas identified as priorities for the development of Croatia science and as prospective from the point of view of the economy, in line with the Smart Specialization Strategy. Within the projects, expenditures for the protection of intellectual property obtained as a result of R&D&I activities as well as the costs of development of personnel participating in R&D&I activities will be covered.

It is also envisaged to support Technology Transfer Offices (TTOs) with the aim to boost cooperation between research organizations and enterprises within regional and national R&D system. This support will be focused on implementation of complex knowledge and technology transfer services. The scientific landscape in Croatia is currently inhabited by 3 university-founded TTOs (located in Zagreb, Rijeka and Split), one TTO at a public research institute (Ruđer Inovacije), and two Science and Technology Parks (StepRi in Rijeka and TERA Tehnopolis in Osijek), as well as a number of smaller, faculty-based TTOs. These offices are working on the daily basis with researchers, research teams, building connection between universities/faculties with potential business partners, and building commercial potentials on HEIs and PROs. With these activities TTOs will encourage public ROs and private sector to work together in the process of converting scientific results into useful products and/or services for business sector.

Interventions under SO 1.1.2. will be focused on the implementation of projects that constitute Croatian's contribution to building the European research area. Harmonization of the support provision rules under this SO with the rules of Horizon 2020 Initiative and S3 are a factor conducive to effective application of ESI funds.

In the context of the year 2023, the direct expected result will be an increased number of projects initiated by the ROs, responding directly to the business sector needs and in longer perspective achieving scientific results for further actions in regards to the commercialization of results by industry and business sector. At more strategic level, realization of this objective will help in changing the attitude of science sector towards cooperation with business and their reorientation towards the needs of economy.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 1 - Increased R&D&I ability for conducting top quality research and cooperation on national and international levels | | | | | | |
|--------------------|--|--|-------------------------------------|----------------|---------------|---------------------|----------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 1a11 | Number of cooperation projects with business and research organizations in the targeted institutions | Cooperation projects | Less developed | 1,394.00 | 2013 | 2,700.00 | MSES database | Annual |
| Specific objective | | 2 - Centres of Research Excellence performing excellent science | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 1a21 | Number of scientific publications published in journals indexed in the Web of science | Number of scientific publications | Less developed | 3,993.00 | 2013 | 4,293.00 | MSES database | Annual |
| Specific objective | | 3 - Research organizations conducting R&D&I projects directed towards the needs of economy | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 1a31 | Number of scientific results (concepts, products, services, patent applications, trademarks, licenses etc) developed for implementation in the business sector | Number of scientific results | Less developed | 17.00 | 2014 | 66.00 | MSES database | Annual |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| <p>Actions to be supported under SO 1.1.1.</p> <ul style="list-style-type: none">• Investments in R&D&I integrated projects that include infrastructural investments (construction of new, renovation and development of existing R&D&I infrastructure), including e-infrastructure, organizational reform, development of human resource and research activities. Main beneficiaries identified within this action are public and private HEIs, public and private ROs, science technology parks and regional and local self-government units. Support will be directed to projects of strategic importance, having the national and international character, which are identified in the Croatian Research and Innovation Infrastructures Roadmap and in line with the Smart Specialization Strategy and presenting a committed research agenda.• Since Information and communication technologies (ICT) became inevitable asset in development of R&D&I capacities and capabilities, and their cohesion with education, it is necessary to invest also into development of e-infrastructure. Investments in R&D&I integrated projects of eligible research organisations will increase R&D&I capacities and form foundations for research excellence. This will substantially contribute to consistent participation of Croatian researchers in international research projects and their sustainability.• In addition, one action will be focused to provide support to assistance in development of all project documentation needed for the successful application and further implementation of R&D&I infrastructure projects. Beneficiaries of the support will also be public and private HEIs, public and private ROs, science technology parks and regional and local self-government units.• Science and technology foresight project with the aim to enable the systematic analysis of science and technology potentials of the Republic of Croatia. Support will also be provided for mapping and assessing the capacities of R&D&I sector. This will be developed by investing into integrated, coherent and permanently updated database which compiles set of statistical data and indicators which are is fundamental for evidence based policy development. Strong analytical base, build on deep insight in performed activities, available resources (human and material) and outputs (publications, patents, licenses, trademarks, number of research contracts, research income, etc.) which is necessary for evaluation and | |

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| <p>monitoring of national research system (institutional arrangements and interaction schemes) to measure the excellence of the research system and effects on the national policy on the modernization of research organizations, the vitality of the research environment and the quality of scientific results will be developed. Identification of R&D&I potentials and priority areas for serving the future needs of economy will be possible by investing into science and technology foresight activities which will serve MSES and other policy making bodies as a statistical, monitoring and foresight tool. The only beneficiary will be the Ministry of Science, Education and Sport but analysis will be done in wide cooperation with relevant stakeholders from science, academia and industry.</p> <p>Actions to be supported under SO 1.1.2.</p> <ul style="list-style-type: none"> • Support to R&D&I projects of the Centres of Research Excellence of national and European importance. Financing will be provided for conducting research activities including the purchase of equipment necessary to carry out individual projects. Target group under this action are CoRE established at national level. Priority will be given to the projects being in line with priorities set in the Smart Specialization Strategy for Croatia and /or developing the international cooperation of the CoRE. Beneficiaries: national Centers of Research Excellence. <p>Actions to be supported under SO 1.1.3.</p> <ul style="list-style-type: none"> • Grant scheme for applied research, experimental development and innovation projects initiated by public and private HEIs and ROs and conducted in cooperation between ROs, aiming at industrial/business needs, in respect of enhancing the impact of R&D&I on economic growth by improving the R&D&I productivity and technological dissemination. The successful projects will have to demonstrate that there is a demand for the project results in the business sector and/or society. Beneficiaries: public and private HEIs and ROs. • Support to Technology Transfer Offices (TTOs) projects, implementation of complex knowledge and technology transfer services for the project network and the market. This includes activities such as: employment of new and training of existing staff, improving access and knowledge of business sector in the area of technology and business development services, upgrade of technology transfer activities from HEIs and PROs towards industry/business, improvement of the Intellectual Property (IP) strategic management and improvement of HEIs and PROs capacities related to the commercialization activities. With these activities TTOs will encourage public ROs and private sector to work together in the process of converting scientific results into useful products and/or services for society. TTOs will help HEIs and PROs in development of commercialization strategies, assessing the innovation potential of research and invention (technology screening), assistance in approaching the interested businesses, conducting market analysis, business plan development, IP strategy, licensing cost, contracting, legal issues, costs of | |

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| <p>supporting spin-off/spinout/start-up companies, product certification, sample production, product design and branding, etc.). Another important activity is related to connection of research community with businesses and networking. This could be seen through direct assistance of connection potential partners through organizing sectorial and brokerage events.</p> <p>Beneficiaries: Technology transfer offices.</p> <ul style="list-style-type: none"> • Grant schemes for collaboration projects between public and private HEI s and ROs and industry (including SMEs) acting as a partner on the project in order to speed up the market uptake of new knowledge and technologies at national level and aiming at solving problems for industry and society: applied research, experimental development, pre-commercialisation of research results through provision of funding for proof of concept, technical feasibility and IPR protection activities. Beneficiaries: public and private HEIs and ROs, Partners: business entities (especially SMEs). <p>The effects of actions taken under this Investment Priority should be perceived not only in the context of creating conditions for better functioning of the science sector, but primarily as contribution to the process of building knowledge-based economy in Croatia that uses its resources efficiently, i.e. from the perspective of benefits to enterprises and the society in general.</p> <p>Implementation of R&D&I investments under this Investment Priority will contribute to achieving synergy with HORIZON 2020 programme activities.</p> | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| <p>All supported projects will be subject to selection criteria accepted by the Monitoring Committee. All projects must comply with principles of</p> | |

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| <p>transparency and non-discrimination (art. 7 and 8 of General ESIF Regulation).</p> <p>Operations selected under envisaged actions will be a subject to the following criteria:</p> <p>(1) the research fields must be in line with the smart specialization strategy;</p> <p>(2) there must be a justification on how the results of the research will be used to benefit the economic development of the country;</p> <p>(3) in case of integrated projects that will be supported through SO 1.1.1. that include infrastructural elements preference will be given to projects in line with the criteria defined in Croatian Roadmap: (a) strategic embeddedness, (b) scientific potential, (c) usage, size and availability of the user base, (d) relevance for Croatia and (e) sustainability. Being in line with mentioned criteria projects can clearly demonstrate contribution to high quality R&D activities orientated towards the needs of national economy and allowing achievement of European objectives (such as increase in R&D expenditure).</p> <p>(4) contribute to the achievement of expected result for specific objectives under which support is provided;</p> <p>(5) contribute in building the "stairway to excellence" for enabling participation in Horizon2020</p> <p>The funding will be awarded on the principle of competitive process based on rewarding research excellence.</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| <p>Project title: Open scientific infrastructural platforms for innovative applications in economy and society – O-ZIP;</p> <p>Beneficiary: Ruder Bošković Institute (RBI)</p> <p>Through this project RBI intends to create four “research infrastructural platforms” (RIPs): Biological and Medical Sciences RIP, Advanced technologies and materials RIP, Marine and environmental RIP and ICST RIP. These platforms present functional units organized within the multidisciplinary environment with the aim to support Croatian priority sectors: health, biotechnology, sustainable environment and engineering which will serve for research, application and transfer of knowledge and technologies. Biological and Medical Sciences RIP will enhance activities in the areas of Red, Green, White and Blue Biotechnology and nanomedicine. Advanced technologies and materials RIP will support the development of Croatian defence industry, food-and wood-processing industry and production of pharmaceuticals, medical equipment, electrical and mechanical machines. Marine and environmental RIP will contribute to sustainable development, ecosystem protection and human health. ICST RIP is e-Science technology-based platform for development of novel technologies and services for biotechnology and pharmaceutical industry, food industry and health sector. The targeted reinforcement, modernization and increased accessibility of these platforms will significantly enhance collaboration with the business and public sectors, improved technology transfer, the commercialization of research results and the protection of intellectual property.</p> <p>Project title: Centre of Competence for Translational Medicine at the Children’s Hospital Srebrnjak - CCTM;</p> <p>Beneficiary: Children’s Hospital Srebrnjak</p> <p>Through this project Children’s Hospital Srebrnjak will establish a competitive and innovative facility for translational medicine that combines basic and clinical research and practice, thus creating a multi-disciplinary groups working together on important medical and scientific problems. By performing contract and clinical research, as well as through publicly funded R&D&I, CCTM will be oriented towards the needs of economy applying its potential in improvement of new diagnosis, therapeutic and preventive strategies and by developing new drugs. CCTM closely integrates top paediatric medicine in</p> | |

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| Investment priority | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| <p>the fields of asthma, allergy, rheumatology, cardiology, cardio-surgery, ear-nose-throat medicine, rehabilitation and clinical trials with basic biomedical research units that will work on alleviating chronic children’s diseases and the development of innovative drugs and diagnostic procedures. With a team of highly experienced professionals, the CCTM will promote scientific discovery and facilitate its clinical application to improve children’s health in a patient-centric setting and provide research facilities with strong orientation towards creation and dissemination of knowledge. Centre of Competence for Translational Medicine is a mechanism aimed at ensuring an <i>enriched pipeline of biomedical discoveries</i>, an infrastructure to facilitate the translation of innovative scientific discoveries <i>from basic and laboratory based research into professional clinical practice</i>, and a robust force of clinical investigators making it possible to test new diagnostic, therapeutic and preventive strategies in a larger numbers of patients.</p> | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest | | | | | | | |
|---------------------|---|---|------|-------------------------------------|---------------------|---|------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 1a11 | Number of R&D&I integrated projects | Number | ERDF | Less developed | | | 4.00 | MIS | Annual |
| 1a21 | Number of Centres of Research Excellence supported projects | Number | ERDF | Less developed | | | 6.00 | MIS | Annual |

| Investment priority | | 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest | | | | | | | |
|---------------------|--|---|------|-------------------------------------|---------------------|---|-------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 1a31 | Number of projects supporting HEIs and ROs | Number | ERDF | Less developed | | | 50.00 | MIS | Annual |

2.A.4 Investment priority

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| ID of the investment priority | 1b |
| Title of the investment priority | Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |

2.A.5 Specific objectives corresponding to the investment priority and expected results

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| ID of the specific objective | 1 |
| Title of the specific objective | Increased R&D&I activities of enterprises |
| Results that the Member States seek to achieve with Union support | <p>Enhancing of the innovativeness of the Croatian economy through stimulating business R&D and innovation and improving science – industry cooperation and technology transfer are among Croatian 2014 – 2020 investment priorities. Under the Specific Objective 1.2.1., R&D activities of the enterprises will be supported.</p> <p>Innovation is considered to be one of the keys for maintaining competitiveness on the global market, creating jobs and improving the quality of life. One of the main development challenges of Croatia is relatively low innovativeness of Croatian economy reflected through weak export performance, lower productivity of Croatian enterprises and overall low ranking of competitiveness of Croatian economy. Therefore, there is a strong need for increase of enterprise's, including SMEs, share in R&D&I investments in order to ensure implementation of the R&D results in business activity, which will contribute to the</p> |

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| | <p>enhancement of the Croatian economy innovativeness and competitiveness.</p> <p>Relatively low level of enterprises investments in R&D and relatively weak cooperation with scientific sector have a negative impact on the commercialization of R&D works results and consequently poor innovation performance of enterprises.</p> <p>Support will be provided to large enterprises and SMEs, both conducting and starting to conduct R&D activities. Support will also be given to groups of enterprises, including clusters, which particularly operate in identified S3 Strategy thematic areas and cross cutting themes with emphasis on in-house R&D projects or projects in cooperation with other partners such as other enterprises or R&D institutions.</p> <p>Implementation of activities under the SO will result in enhancement of business research and development expenditure with aim to develop and implement: new or significantly improved product (goods or services); new or significantly improved technology and process; new marketing method; or new organisational method in business practice, workplace organisation or external relations. The SO will directly contribute to the modernization (new technologies, new R&D&I equipment, etc.) and diversification (new export competitive products and services) of Croatian economy and in increase of export performance of Croatian enterprises due to the implementation of R&D works results (understood as commercialization of the results in business activity).</p> <p>Under this specific objective, the R&D projects are covering research and development activities of enterprises and development of their R&D infrastructure. Since only R&D activities up to the prototype and demonstration phase will be supported, large companies will have to implement the commercialization activities by themselves, while for SMEs, support for commercialization phase will be provided under the support within Priority axis 3.</p> <p>Under this SO ‘the demand side for R&D’, meaning the enterprise sector, will be developed. Complementary to it, under the SO 1.2.2, ‘the R&D supply side’ of the National Innovation System will be developed and directed towards business.</p> |
| ID of the specific objective | 2 |
| Title of the specific objective | R&D&I activities of business sector increased through creation of favourable innovation environment |
| Results that the Member States seek to achieve with Union support | <p>As the complementary measure to SO 1.2.1, different forms of cooperation between the enterprises and between the business and science sectors within the framework of National innovation system (NIS) will be supported under this SO.</p> <p>Weak R&D capacity and low innovation potential of the Croatian economy is caused by weak environment for innovation, i.e. low interest for science-industry collaboration, insufficient capacities of business support institutions to provide services to</p> |

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| | <p>business sector to expand through new technologies and acquisition or development of new innovative processes, goods and services. Tackling this problem is important in order to bring closer the innovation infrastructure to the enterprises (particularly SMEs) which do not have capacities to innovate or to invest in their own R&D capacities. The development of new, innovative, more business oriented elements of NIS, .i.e. competitiveness clusters, thematic innovation platforms and Centres of Competence will address currently underdeveloped NIS.</p> <p>The competitiveness clusters are important element of NIS with the aim to increase the cooperation among enterprises by bringing together all relevant stakeholders from business, science, regional and local authorities. The need for effective cooperation of these actors is of great importance for the economy. The results sought under this objective will be identification of future progressive niches, export orientation, value and supply chain and possible areas for attracting FDI and branding of the Croatian industrial sectors. It will consequently boost the preparation and implementation of joint projects in the field of R&D, technology transfer, innovation, and internationalization.</p> <p>Directly connected with the aim of further development of cluster initiatives and promotion of R&D collaboration among business sector players and science and research institutions is the establishment of the Innovation network for industry and creation of Thematic innovation platforms for identified S3 thematic priority areas and cross-sectoral themes. The main goal is to create a forum for R&D and innovation dialogue among enterprises and scientific and research communities, to define strategic area of R&D and innovation for industry and enable education of business sector, how to implement result of R&D and innovation activities in purpose to raise productivity and diversify economy.</p> <p>The third new element supported under this SO will be Centres of Competence (CoCs), in which technological cooperation of enterprises and collaboration on mutual projects will be implemented. Guidelines prepared by the Ministry of Economy state CoCs are legal entities established for support to economic development through R&D&I focus on industrial and applied research and innovation, led by the industry and support strengthening of intellectual property rights in specific thematic areas recognized within the S3 Strategy and integrated into one or more Thematic Innovation Platforms. The expected result of this SO is to increase innovation activities' expenditure of enterprises.</p> <p>The actions will also contribute to improving capacities for innovation, technological development and cooperation for business sector (especially for SMEs), measured by the increased number of joint projects, the higher value of R&D&I expenditures in business sector and increase of expertise in priority thematic areas of the Smart Specialization Strategy.</p> |
| ID of the specific objective | 3 |

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| Title of the specific objective | Social changes improving communities' quality of life introduced |
| Results that the Member States seek to achieve with Union support | <p>One of the challenges described under EU2020 strategy and Partnership Agreement is adequate response of public policies to address social challenges (e.g. ageing society, climate change) and contribute to re-shaping society in the direction of participation, empowerment, creativity and co-creation and learning. In connection with the overall goal of TO1 and the investment priority, it requires finding new (in the context of Croatian economy) ways of promotion links between social needs, public response and interest of the business.</p> <p>For this objective the Ministry of Economy is assisted from the OECD's project "Triple helix within Social Innovation" through which a clear definition of focus and concrete needs and challenges and methodology of supporting social innovation will be defined.</p> <p>The overall goal to be achieved is bringing the public sector, particularly local communities, closer to the common European problems and challenges recognised under the common name of social challenges and to allow them to act and thus contribute to the broader picture of social innovation and undertake and execute innovative activities and social initiatives, based on the achievements of R&D&I activities of business and science sector. This goal will be accomplished through the creation a sustainable framework for promoting social innovation projects based on completion a range of pilot projects that will improve the community welfare through solving specific societal challenges in innovative and collaborative way.</p> <p>Due to modest existing experience and lack of capacity for carrying out social innovation projects at all levels, a phased approach will be applied, whereby in first phase social innovation concept in Croatia will be further developed (identification of areas, potential beneficiaries and raising awareness and capacity activities), which would then provide the ground for pilot actions to be carried out afterwards. It is expected that it will facilitate national, regional and local governments in embracing the social innovation as an important tool for increasing the quality of life and to address and respond to solving one or more social challenges faced by their community through innovative projects. In the second phase Ministry of Economy and Ministry of Regional Development and EU funds will support a range of pilot projects to develop and promote social innovations among stakeholders such as national, local or regional governments, NGOs, scientific entities, PROs and business, including SMEs in Croatia. A part of these pilot activities will be implemented in the form of ITI in order to promote the concept and value of social innovation particularly among the biggest local communities in Croatia and additionally support the feeling of local "ownership" over the process.</p> |

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| | <p>Expected result under this specific objective is an increase in the number of stakeholders involved in social innovation projects that address social challenges of communities identified within regional development strategies, not covered yet by the market and which will improve of the community welfare. Since social innovations are still an emerging area, it is very difficult at this stage of development of social innovations to define result indicator already collected by the Croatian bureau of statistics. Therefore, the result indicator will be related directly to the number of stakeholders involved in social innovation projects supported under this specific objective.</p> |
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Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 1 - Increased R&D&I activities of enterprises | | | | | | |
|--------------------|---|---|-------------------------------------|----------------|---------------|---------------------|----------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 1b11 | Business expenditure on research and development | MEUR | Less developed | 151.29 | 2012 | 180.00 | EUROSTAT | Annual |
| Specific objective | | 2 - R&D&I activities of business sector increased through creation of favourable innovation environment | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 1b11 | Business expenditure on research and development | MEUR | Less developed | 151.29 | 2012 | 180.00 | EUROSTAT | Annual |
| Specific objective | | 3 - Social changes improving communities' quality of life introduced | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 1b31 | Number of stakeholders involved in social innovation projects | Number | Less developed | 0.00 | 2014 | 40.00 | MIS | Annual |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| <p>Under SO.1.2.1 R&D&I activities of enterprises increased, enterprises, including SMEs, will be supported within three main actions implemented through grant schemes:</p> <ol style="list-style-type: none">1. Support to in-house research and development (R&D) projects carried out by enterprises, including SMEs. The support will be provided for the R&D works and indispensable infrastructure and can include costs of highly qualified research personnel and their competencies development, costs of equipment, instruments, buildings and land; costs of patents and other industrial property rights, design services, consultancy costs and equivalent services.2. Support to contractual research and development projects of enterprises, especially SMEs. The enterprises will receive grants for acquiring research and development services in public and private research institutions. The results of the projects will be new to Croatian market or significantly changed goods, processes or services.3. Support for collaborative R&D projects of enterprises and research institutions. The enterprises will be granted for the R&D works and indispensable infrastructure and can include costs of highly qualified research personnel, costs of equipment, instruments, buildings and land; costs of patents and other industrial property rights, consultancy costs and equivalent services. <p>These actions will encourage enterprises, including SMEs and their groups (including clusters) to be more innovative through supporting them in conducting in house or contractual industrial and applied research and experimental development, which aim at the development of new or significantly improved goods, processes or services.</p> <p>Beneficiaries of the actions under this SO are SMEs, large enterprises, groups of enterprises, including clusters and consortiums, particularly operating in</p> | |

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
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sectors identified under Croatian S3.

Additionally, the support for the commercialisation of the R&D works results will be available for SMEs under TO3. In case of the commercialization of the R&D works results by large enterprises they will have to implement the commercialization activities by themselves.

Under SO.1.2.2 R&D&I activities of business sector increased through creation of favourable innovation environment, the support will be provided through following actions:

1. **National project for Competitiveness cluster initiatives support. Financing will be provided for analysing the comparative advantages of clusters and development programmes for cluster initiatives**, such as: identification of value chains, sectoral recognition, smart skills development, branding, development of joint export strategies for international R&D initiatives, promotion of FDI and internationalisation, including trans-national cooperation, in particular by making use of the European Cluster Collaboration Platform, the analyses of the comparative advantages and strategic documents related to value and supply chain, internationalisation and FDI promotion and branding for the clusters.

Beneficiary under the action will be the Ministry of Economy (target group consists of current 12 competitive clusters identified in S3 strategy).

1. **National project for creation of Thematic Innovation Platforms** (identified by Croatian S3 thematic areas). INI will concentrate on developing long-term research and innovation agendas and roadmaps which will be in line with the S3, to be supported by both private and public R&D funding. The costs of establishment of the thematic innovation platforms, technological mapping, education and training of business sector and promotion of innovation activities will be covered as well as the maintenance of the TP during initial phase. Additionally, the studies and analyses necessary for the preparation of the long-term research and innovation agendas and roadmaps for the specific platforms (therefore serve as a short-term action plans for S3 strategy) will be financed and will constitute a base for the joint activities of all actors. The platforms will be created under the guidance of the Ministry of Economy in the thematic areas indicated in the S3 and will match the scientific/research sector and its scientists with the business community. For individual Thematic innovation platforms support will be provided for: the development and maintenance of the platforms, including the databases of researchers, scientists and services that the scientific community can provide to the business community; matchmaking activities for building the consortiums for certain project applications; capacity building; training and education of the clients of

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| <p>thematic platforms and project pipeline preparation for certain S3 fields as well as preparation of R&D&I strategy for each thematic priority areas.</p> <p>Beneficiary under the action will be the Ministry of Economy.</p> <p>1. Support to centres of competence development. Grant schemes will support:</p> <ol style="list-style-type: none"> 1. investment costs in intangible and tangible assets for setting up of CoCs infrastructure, such as investments in buildings or land, construction, acquiring or modernisation of equipment and facilities serving as a CoC, 2. implementation of joint R&D&I projects, in line with the Croatian S3, led by the demand from the industry. Supported activities under joint projects will involve costs of personnel (especially highly qualified personnel that works on the project); costs of instruments, equipment; technical knowledge, patents and other industrial right costs, consultancy costs and equivalent services etc. <p>It is envisaged that several CoCs will be established on the basis of the sound development strategies prepared together by the business community, science sector the regional authorities as well as the framework partnership agreement signed by the stakeholders. Relevance of CoC development strategy is to be confirmed by the committee of one or more competitiveness clusters. CoC main focus will be the industrial research and experimental development, especially for SMEs, and for collaborative projects between large enterprises and SMEs, providing high added-value to business sector in supporting their efforts that innovative ideas can be turned into processes, goods and services that consequently will contribute to creation of growth and jobs. Envisaged are investments in construction and equipment of the CoCs, as well as covering the costs of projects implemented within the Centres.</p> <p>Main beneficiaries of this support are legal entities operating as CoCs (founded by local or regional government, in cooperation with scientific and/or research institutions, clusters or enterprises operating in the most prospective sectors recognized locally, and other public institutions).</p> <p>Complementary actions for strengthening RDI capacities of enterprises will be implemented under the OPECC 2014-2020, thematic objective 3 aiming at enhancing the competitiveness of SMEs - investment priority 3.4. <i>Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes</i>, measures are foreseen supporting improvement of SMEs innovation potential.</p> <p>Under the ESF OPEHR 2014-2020 synergies will be ensured under TO11, where support to reform processes that should help to improve the overall</p> | |

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| <p>business climate is envisaged, such as better delivery of quality overall public services to businesses and greater efficiency of courts in dealing with commercial issues.</p> <p>Within implementation of ESIF R&D&I investments under this specific objective will contribute to achieving synergy with HORIZON 2020 programme activities.</p> <p>Under the SO 1.2.3 Social changes improving communities' quality of life</p> <p>Support to social innovation projects will be provided in the form of:</p> <ul style="list-style-type: none"> - additional studies and analyses which are not covered by the OECD project but are necessary for identification of areas, potential beneficiaries for the social innovation. Beneficiaries of these actions will be the Ministry of Economy and the regional and local governments interested in developing the social innovations in their regions; - activities aiming at raising awareness on social innovation among the stakeholders and building the capacities for social innovations among the potential stakeholders. The beneficiary will be the Ministry of Economy, and the target group the representatives of regional and local authorities, business, NGOs, science sector; - pilot projects aimed at supporting and developing innovative processes, goods or services, responding to social needs of the communities and implemented them as demonstration and experimentation pilot project on national, regional or local level. Pilot projects will be particularly focused on creation of enabling infrastructure for support of social innovation in S3 areas such as living labs and demonstration centres. Eligible costs for this action include costs of personnel, purchasing of equipment necessary to implement operation, as well as costs of other tangible assets, costs of intangible assets (such as industrial rights, feasibility studies, contractual and own research, patents, licenses, know-how and other consultancy costs and equivalent services. The aim of this grant scheme is to facilitate regional and local governments and to address and respond to solving one or more social challenges faced by their community through innovative projects (whether it is a project of developing innovative product, public service or other administrative process, economic or non-economic activity that can better serve the society etc.). Beneficiaries of the scheme are national, regional or local governments in cooperation with NGOs, civil society organisations, scientific entities, PROs and business, including SMEs. Particular attention will be given to social | |

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| <p>innovation projects that will use the Integrated Territorial Approach (ITI) and which will be focused on biggest urban areas in Croatia.</p> <p>Complementary actions for strengthening RDI capacities of enterprises will be implemented under the OPCC 2014-2020, thematic objective 3 aiming at enhancing the competitiveness of SMEs - investment priority 3.4. Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes, measures are foreseen supporting improvement of SMEs innovation potential. Under the ESF OPEHR 2014-2020 synergies will be ensured under TO11, where support to reform processes that should help to improve the overall business climate is envisaged, such as better delivery of quality overall public services to businesses and greater efficiency of courts in dealing with commercial issues. Implementation of R&D&I investments under this Investment Priority will contribute to achieving synergy with HORIZON 2020 programme activities.</p> | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| <p>Common overall principles for all the actions supported under this specific objective are strengthening capacities and private investments in RDI which will be based on criteria like quality, relevance, cost effectiveness and sustainability of the project proposal. Priority will be given to the projects which promote and comply with eight ex-ante criteria to assess projects or domains and to select S3 priorities. The supported actions are directed in the development of projects on the basis of their potential to increase level of innovativeness, productivity and R&D excellence and therefore contribute to the national R&D targets set up in the Partnership Agreement. All supported projects will be subject to selection criteria accepted by the Monitoring Committee. All projects must comply with principles of transparency and non-discrimination (art. 7 and 8 of CPR).</p> <p>To achieve expected results at the level of specific objectives, any action supported will have to prove fulfilment of basic preconditions:</p> <ul style="list-style-type: none"> • ability to contribute to specific objective, | |

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| <ul style="list-style-type: none"> • clear and quantifiable contribution to the relevant output indicator, <p>Priority will be given to projects (especially in the investments in infrastructure for RDI) which contribute to the green growth.</p> <p>Specific guiding principles for selection of operations under support in investments in research and development of enterprises are:</p> <ul style="list-style-type: none"> • compliance with thematic priority areas identified under S3, • proximity to market, • level of innovativeness of proposed project's results to the market, • degree of collaboration and the number of partners involved, • significance of the activity for the regional/national/global economy. <p>Support to Centres of competence, as type of R&D&I infrastructure element and recognised by the EU will be in line with Croatian Smart Speciation Strategy, but also will have to reflect the interest and potential of academic sector, local government and business sector within certain area to develop and specialise in specific thematic priority areas. CoC will be pre-selected by the Ministry of Economy on the basis of guidelines being currently developed. The main guiding principle for selection of support to CoCs have to be the ability of CoCs to serve the needs of enterprises, particularly SMEs, and their ability to prove that CoC will help the creation of critical mass of subjects and their interest to develop R&D&I activities. Hence, this GS will have regional and collaborative character and should address at least one of S3 priorities. Selected CoC will present projects proposals which will be assessed using following criteria:</p> <ul style="list-style-type: none"> • Level of innovativeness, • Involvement of partners (research, public authorities and companies), • compliance with S3 strategy, | |

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| <ul style="list-style-type: none"> • level of financing from private companies. <p>In case of social innovation projects, in order to be supported, projects will have to respond to specific social challenges on regional and local level in innovative way and should be based on collaboration of local/regional/national government with business sectors, academic sector and civil society organizations. Their relevance and capacity for addressing the local community social challenges will be evaluated. Project proposals which are to be financed should be in line with Smart specialisation strategy. Detailed selection criteria will be prepared on the basis of the results the OECD project “Triple helix within Social Innovation”, defining social needs to be addressed, social qualities of tools or methods which are used and the innovative nature of activities, etc.</p> | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| Not envisaged | |

2.A.6.4 *Planned use of major projects* (where appropriate)

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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
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| Investment priority | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies | | | | | | | |
|----------------------------|--|---|-------------|--|----------------------------|----------|----------|-----------------------|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO02 | Productive investment: Number of enterprises receiving grants | Enterprises | ERDF | Less developed | | | 300.00 | MIS | Annual |
| CO26 | Research, Innovation: Number of enterprises cooperating with research institutions | Enterprises | ERDF | Less developed | | | 100.00 | MIS | Annual |

| Investment priority | | 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|--------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 1b11 | Number of R&D projects supported | Number | ERDF | Less developed | | | 200.00 | MIS | Annual |
| 1b21 | Number of operating Centres of competence | Number | ERDF | Less developed | | | 10.00 | MIS | Annual |
| 1b22 | Number of cluster initiatives supported | Number | ERDF | Less developed | | | 4.00 | MIS | Annual |
| 1b23 | Number of thematic innovation platforms established | Number | ERDF | Less developed | | | 6.00 | MIS | Annual |
| 1b31 | Number of solutions providing response for social challenges of community | Number | ERDF | Less developed | | | 10.00 | MIS | Annual |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 1 - Strengthening the Economy through Application of Research and Innovation |
|---------------|--|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 1 - Strengthening the Economy through Application of Research and Innovation | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|---|----------------|---------------------|---|----------------|----------------|---|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
| | | | | | | M | W | T | M | W | T | | |
| CO02 | O | Productive investment: Number of enterprises receiving grants | Enterprises | ERDF | Less developed | | | 60 | | | 300.00 | MIS | The indicator covers majority of proposed actions under Investment priority 1b which are related to the support to enterprises. |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 171.150.352,00 | | | 782.108.429.00 | MIS | The milestone presents N+3 rule for the PA excluding 6% performance reserve (i.e. total funding allocations for 2014 and 2015 net of 6%). |
| Ia11 | O | Number of R&D&I integrated projects | Number | ERDF | Less developed | | | 1 | | | 4.00 | MIS | This indicator represents majority of resources allocated to Investment Priority 1a. |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 1 - Strengthening the Economy through Application of Research and Innovation | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 002. Research and innovation processes in large enterprises | 112,000,000.00 |
| ERDF | Less developed | 056. Investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities | 60,000,000.00 |
| ERDF | Less developed | 057. Investment in infrastructure, capacities and equipment in large companies directly linked to research and innovation activities | 25,000,000.00 |
| ERDF | Less developed | 058. Research and innovation infrastructure (public) | 172,621,739.00 |
| ERDF | Less developed | 059. Research and innovation infrastructure (private, including science parks) | 79,400,000.00 |
| ERDF | Less developed | 060. Research and innovation activities in public research centres and centres of competence including networking | 173,670,000.00 |
| ERDF | Less developed | 061. Research and innovation activities in private research centres including networking | 11,330,000.00 |
| ERDF | Less developed | 063. Cluster support and business networks primarily benefiting SMEs | 15,470,426.00 |
| ERDF | Less developed | 070. Promotion of energy efficiency in large enterprises | 5,000,000.00 |
| ERDF | Less developed | 121. Preparation, implementation, monitoring and inspection | 10,300,000.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 1 - Strengthening the Economy through Application of Research and Innovation | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Non-repayable grant | 664,792,165.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 1 - Strengthening the Economy through Application of Research and Innovation | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 07. Not applicable | 664,792,165.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | | 1 - Strengthening the Economy through Application of Research and Innovation | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Integrated Territorial Investment – Urban | 20,000,000.00 |
| ERDF | Less developed | 07. Not applicable | 644,792,165.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| Priority axis | | 1 - Strengthening the Economy through Application of Research and Innovation | |
|---------------|--------------------|--|----------|
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| Priority axis: | 1 - Strengthening the Economy through Application of Research and Innovation |
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| <p>Under investment priority 1a it is also necessary to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for foreseen investments in R&D&I equipment and infrastructure. It is assumed that beneficiaries of proposed actions do not have needed capacity and skills to prepare high quality project documentation with all the accompanying technical documentation by themselves, in order to apply and receive the funding for R&D&I investments. Additionally, technical assistance is necessary for covering needs for</p> | |

studies, analyses, expenses and administrative work of involved authorities as well as beneficiaries. With these actions timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.

2.A.1 Priority axis

| | |
|-----------------------------------|---|
| ID of the priority axis | 2 |
| Title of the priority axis | Use of Information and Communication Technologies |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

2.A.4 Investment priority

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| ID of the investment priority | 2a |
| Title of the investment priority | Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 1 |
| Title of the specific objective | Development of NGN broadband infrastructure in areas without sufficient commercial interest for investments in NGN broadband infrastructure, for maximum increase of social and economic benefits |
| Results that the Member States seek to achieve with Union support | <p>Considering relevant rules for application of state aid in broadband sector, the specific objective generally supports investments in NGN broadband infrastructure in areas without existing NGN broadband infrastructure and without sufficient commercial interest for investments in such infrastructure by operators in the electronic communications market (so called NGN white and grey spots).</p> <p>The objective will be achieved through actions implemented aiming at developing of aggregation (backhaul) NGN network in white and grey NGN areas, and at developing of access networks (NGA with at least 30 Mbps–100 Mbps throughput) in white NGA areas (full market failure) for households, enterprises and public institutions. The implementation of actions in NGN backhaul grey areas is required because of existence of market failure, as only non-adequate NGN backhaul services are provided there by incumbent operator.</p> <p>Taking into account the scale of available ERDF and national co-financing and in order to ensure that investments in NGN broadband infrastructure will have maximum leverage effect, investments under this objective will be focused on assuring access of the most public institutions. Taking into account their social and economic role, priority will be given to assure connections for administration offices, educational, health, judicial and cultural institutions. Naturally, this means geographical concentration of investment in regional and municipal administrative centres where concentration of targeted public institutions tends to be highest. Second priority will be given to assure connections for business zones, business support institutions and enterprises.</p> <p>The main expected result to be achieved with the use of ERDF funding under this specific objective is to increase NGN national broadband coverage through three key components until 2023:</p> <ul style="list-style-type: none"> • Covering of at least 350 central administrative settlements in municipalities located in white and grey NGN areas with aggregation (backhaul) NGN networks, being the prerequisite for further development of NGN (NGA) access |

networks.

- Increase of national NGA network coverage by 12%, by supporting deployment of NGA connections for households, business zones, business support institutions and enterprises (at least 30 Mbps-100 Mbps) in settlements located in white NGA areas, with highest leverage effect on business activity in these settlements.
- Assuring connections to all targeted public institutions in white and grey NGN areas.

Other expected benefits include stimulation of the demand for broadband connectivity, supporting the development of digital economy (as a consequence of an increase in number of households and public institutions, being covered by NGN network) and in more broad economic perspective also an increase in investment opportunities for local SMEs and external companies. The results of this specific objective contribute directly to achievement of general Digital agenda for Europe and National Broadband targets for high-speed broadband coverage till 2020.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 1 - Development of NGN broadband infrastructure in areas without sufficient commercial interest for investments in NGN broadband infrastructure, for maximum increase of social and economic benefits | | | | | | |
|--------------------|---|---|-------------------------------------|----------------|---------------|---------------------|---|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 2a11 | Total NGA broadband coverage (as a % of households) | % of households | Less developed | 33.00 | 2013 | 45.00 | DAE Scoreboard, Croatian Bureau of Statistics | Annual |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>There will be two infrastructure investment actions to be supported under this specific investment priority:</p> <ol style="list-style-type: none"><li data-bbox="197 608 2107 863">1. Financing development of aggregation (backhaul) NGN networks and connection of public institutions to NGN network, in NGN white and grey areas – NGN aggregation networks collect traffic from access (NGA) networks towards backbone networks and comprise a portion of network between first concentration nodes and core networks nodes (also called middle mile). Direct beneficiary of this action will be public company in charge of design, build (through public procurement contracts) aggregation networks “Transmitters and Communications“(OiV). The OiV will own and operate the network as Infrastructure Operator. However, the whole backhaul network will be used by other operators. Target group within public institutions will be national, regional and local government offices and branches, including educational, health, cultural, touristic and judicial institutions.<li data-bbox="197 884 2107 1066">2. Financing development of NGN/NGA networks in NGA white areas - access networks relate to a portion of network that stretches between end users (households, enterprises and public institutions) and first network concentration node (last mile). NGA networks comprise any infrastructural and technological solution that is capable of supporting high-speed/ultra-high speed access (more than 30 Mbps – 100 Mbps), according to definitions of Digital Agenda for Europe (technologically neutral). Pure upgrade of copper infrastructure, without introduction of fiber-optic closer to user premises (FTTX) is excluded. <p>Beneficiaries of the support will be local and regional authorities (municipalities, towns and counties) from white NGA areas, while citizens and enterprises will represent target groups. Among listed target groups, priority will be given to business zones, business support institutions and enterprises.</p> <p>Beneficiary will select one of the three possible investment models (defined by ONP) for implementation of access network projects that combine the roles of beneficiaries as public bodies, with roles of private operators in the electronic communication market in projects developing the access networks. Following examples of actions could be financed:</p> | |

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>1. In private design, build and operate (private DBO) model, where beneficiaries will rely on operators in the market regarding all activities related to design, build and operation of access networks, financing will cover a funding gap (up to maximum co-financing rate for priority axis), which is a financial subsidy for investment costs for construction of access networks, in order for operators to be able to build and operate the network profitably. The remaining share of investment in private DBO model shall be covered by operators. When selecting operators for private DBO model, beneficiaries have to follow public procurement rules, as specified by ONP.</p> <p>2. In public design, build and operate (public DBO) model, beneficiaries will be responsible for all activities related to design, build and operation of access networks. The access network rolled-out will be publicly owned and shall be operated by beneficiaries as wholesale only network. Financing will cover all investment costs for construction of the network, up to defined maximum co-financing rate for priority axis.</p> <p>3. In Public Private Partnership model (PPP), beneficiary (public partner) chooses an operator (private partner) to build and operate network, according to PPP concept. National PPP legislation has to be followed in this model, and the network shall be operated as wholesale only network. Financing will cover public subsidy for investment cost for construction of access network (up to maximum co-financing rate for priority axis), and the remaining part shall be covered by private partner in PPP.</p> <p>All access network projects have to implement defined wholesale obligations and pricing rules, as well as implement clawback mechanism, according to the financial size of the project, as defined by ONP.</p> <p>In addition, one action for project pipeline preparation will be established. It will provide assistance in preparation of project documentation, including education and skill development, aiming to enhance absorption capacity of potential beneficiaries of NGA access networks (municipalities, towns and counties) grant scheme.</p> <p>Listed above actions contribute to the achievement of the specific objective in complementary manner, since they are concentrated on the development of NGN broadband infrastructure in clearly identified communities placed in NGN white and grey areas. Complementarity will be achieved by coordinated support of both actions by the same public body having the role of IB1. IB1 will ensure that all white areas covered by NGA projects (supported through the second action) are already connected by adequate NGN backhaul network; or these areas will be connected within NGN backhaul network projects supported through the first action in a timely manner.</p> <p>Since infrastructure investment actions in this investment priority constitute state aid, they are aligned with corresponding state aid principles for broadband networks in EU and Croatia, which particularly relates to Guidelines for the application of State aid rules in relation to the rapid deployment of broadband networks (OJ C 25/2013). Therefore, both actions will be implemented under two National Broadband State Aid Schemes for access and</p> | |

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
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aggregation networks, respectively:

1. **National Framework Programme (ONP) for access broadband networks**
2. **National Programme for Backhaul Broadband Infrastructure (NP-BBI) for aggregation (backhaul) networks**

State aid clearances, being obtained for ONP and NP-BBI in parallel with programming process for period 2014-2020, will facilitate execution of operations within both actions of this investment priority:

1. **Access networks (ONP):** Beneficiaries of the action supporting development of access networks under ONP scheme will comprise local and regional government units (communities, towns and counties). As ONP scheme prescribes practical rules and guidelines necessary to conform to broadband state aid rules, it eases the administrative burden for beneficiaries in performing the operations (projects) within this action, as there is no need to implement individual state aid notifications per each project. Furthermore, ONP also prescribes the practical rules for mapping of existing broadband infrastructure and identification of targeted groups, which is required to precisely define the geographical scope of targeted areas covered by operations (white and grey areas). National Regulatory Agency (HAKOM) has also developed interactive broadband map, which further facilitates this process for beneficiaries. Development of operations (projects) within ONP will be guided and supervised by a public body designated as state-aid granting authority (the same body having the role of IB1).
2. **Aggregation (backhaul) networks (NP-BBI):** Beneficiary of action supporting construction of aggregation (backhaul) networks within NP-BBI state aid scheme is public company “Transmitters and Communications“(OiV), which is in charge of design, build and operate of aggregation networks. Operations (projects) within NP-BBI scheme will not require individual state-aid notifications. NP-BBI prescribes practical state aid rules for precise identification of targeted white and grey areas, setting wholesale obligations and pricing rules as well as implementing clawback mechanism. Development of operations (projects) within NP-BBI will be guided and supervised by a public body designated as state-aid granting authority (the same body having the role of IB1).

Interactive broadband coverage map (<http://bbzone.hakom.hr/Home/InteraktivniPreglednik#sthash.vdTM8jlv.Fejp0STw.dpbs>) that has been developed by National Regulatory Agency (HAKOM) gives an overview of availability of basic and next-generation access (NGA) (fast and ultra-fast) service coverage throughout Croatian settlements (necessary for mapping of so called “white”, “grey” and “black” areas).

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>Synergy will be achieved with investments planned under following Thematic objectives and investment priorities of the OPCC:</p> <ul style="list-style-type: none"> • Thematic objective 2.: Deploying of NGN network will accelerate development of ICT applications, such as e-government, e-health, e-schools, e-culture, e-inclusion, e-tourism which have potential to multiply socio-economic impact expected from ICTs, underlining the importance of the multi-sectorial strategies for national development, where broadband remains in the forefront; • Thematic objective 3 - SMEs need reliable NGA to compete in an increasingly connected world. With availability of high-speed internet connections, adoption of information and communication technologies by entrepreneurs is essential for reduction of the costs of both hardware and services, which at the end will enable better promotion of services, applications and local content as well as delivery of government services over the Internet (e-government). More specifically, within investment priority 3.4. <i>Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes</i>, action is foreseen to support SMEs in introducing and implementing e-business solutions provided by ICT; • Thematic objectives 9 (providing support for social and health public infrastructure); 10 (enhancing infrastructural capacities at pre-tertiary and tertiary levels with improved educational standards and learning environment for students) and 11 (increasing the judiciary effectiveness) - with the potential to be used for provision of public services and in order to achieve better delivery of quality public services thus contributing to regional and local development. <p>E-literacy and e-skills in particular, which are vital for broadband diffusion to succeed, will be addressed within Efficient Human Resources Operational Programme 2014 - 2020, thematic objectives 8, 10 and 11.</p> | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>Following principles will be applied for the selection of operations:</p> <p>Operations prepared by beneficiaries shall conform to state aid rules defined within <i>National Programme for Backhaul Broadband Infrastructure (NP-BBI) for aggregation (backhaul) networks</i> and <i>National Framework Programme (ONP) for access broadband networks</i> schemes. This is related to</p> | |

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>practical rules and principles for definition of targeted areas within operation (mapping), setting of wholesale obligations, implementation of clawback mechanism etc. Conformity of state aid rules in operations will be supervised by state aid granting authority (same as Intermediary Body 1).</p> <p>Conformity in preparatory phase of operations is precondition for selection of operation for financing within this investment priority.</p> <ol style="list-style-type: none"> 1. Under operations (projects) supporting <u>NGN aggregation (backhaul) networks</u> - priority, ranked by importance, will be given to projects: <ul style="list-style-type: none"> • covering central administrative settlements in municipalities located in white and grey NGN backhaul areas; • covering areas with higher demand prospects (with larger number of existing internet connections or broadband penetration), in compliance with analyse for investment plans of private investors for NGA last-mile (access) networks (30 Mbps-100 Mbps); • connecting targeted public institutions (administration offices, educational, health, judiciary, touristic and cultural), • then, areas with high number of business support institutions and enterprises; <p>Public design, build and operate (public DBO) investment model will be implemented. The rolled out networks shall be operated by beneficiary (OiV). Financing will cover investment costs for construction of aggregation networks and connection of target public institutions, up to maximum co-financing rate for priority axis. Investments in aggregation (backhaul) networks are technologically neutral. Considering its NGN nature and need to aggregate high-speed traffic from NGA access networks, projects will mostly support implementation of multi-fiber aggregation links. Implementation of wireless aggregation links will only be supported in sparsely populated areas.</p> <ol style="list-style-type: none"> 1. Under <u>grant scheme for development of NGA access networks (last mile)</u>, priority will be given to complex project proposals ensuring the introduction of fiber infrastructure (FTTx) in last-mile network segment, proposed by the local and regional authorities: <ul style="list-style-type: none"> • covering areas with higher demand prospects (with larger number of existing internet connections or broadband penetration), • assuring connections to targeted business zones, business support institutions and enterprises; • Showing higher socio-economic impact of availability of NGA access networks, especially the impact related to business activity in project area. <p>For operations supported under grant scheme for development of NGA access networks, financing will cover investment costs for construction of access</p> | |

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>networks up to maximum eligible average cost per end user covered by operation. The maximum eligible average cost per end user will be set taking into account available financial resources within investment priority, as well as the need to support deployment of advanced broadband solutions in operations (e.g. FTTx access networks).</p> <p>1. As regards Project pipeline preparation support (for development of NGA access networks), priority will be given to those local and regional administrative units with the lowest economic prospects and institutional capacities (ranked and included in the list of assisted areas under the Law of Regional Development).</p> <p>The maximum co-financing rate from ERDF will be modulated, depending on operations priorities, which particularly relate to operations in assisted and non-assisted areas.</p> <p>According to the Decree on Standards for development of electronic communications infrastructure and of other related equipment (Official Gazette 131/12), electronic communications infrastructure and other related equipment should be planned, in principle, in the corridor or route of communal infrastructure; synchronisation in relation to the planned infrastructure communal construction timelines is necessary. Cost savings and synergies would be achieved through coordination with transport and energy infrastructure projects financed under priority axes 4, 5 and 6 under OPCC.</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>Not envisaged thus far.</p> | |

2.A.6.4 Planned use of major projects (where appropriate)

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| <p>The action <i>Financing development of aggregation (backhaul) NGN networks in white and grey areas</i> will be implemented as one major project. Expected result of the project is to develop broadband backhaul infrastructure in central administrative settlements of municipalities located in NGN backhaul white and grey areas, It is a part of the state measures designed to help eliminate digital divide between counties, to increase social cohesion and contribute to economic growth. Project will stimulate private operators and local communities to start developing next generation high speed broadband access network infrastructure, also through complementary access network state aid scheme „National Framework program for development of access broadband infrastructure“.</p> <p>The project also aims to connect all public institutions (national, regional and local government offices and branches, including educational, health, cultural, touristic and judicial institutions) in the targeted areas to high-speed NGN network, in order to enable development and provision of public e-services (e-education, e-health, e-justice etc.).</p> <p>Direct beneficiary in the project will be Croatian public company in charge of design, build (through public procurement contracts) and operate of aggregation networks “Transmitters and Communications“(OiV). Provision of electronic communication services is core business of OIV and internal structure of OIV is fully customized for providing electronic communication services. OiV will build, operate and own the network as Infrastructure Operator (public design, build and operate (public DBO) investment model). The new network will offer wholesale access on an open, non-discriminatory basis to electronic communication service providers who will deliver broadband services to end-users.</p> <p>Target groups will be public institutions (national, regional and local government offices and branches, including educational, health, cultural, touristic and judicial institutions); and all operators in the market that will use NGN backhaul network capacity.</p> <p>Investments in aggregation (backhaul) networks are technologically neutral. Project will mostly support implementation of multi-fiber aggregation links. Implementation of wireless aggregation links will only be supported in sparsely populated areas.</p> <p>Re-use of existing physical infrastructures, including those of other utilities such as gas, water or electricity infrastructure, will be used as measure to reduce cost of roll out electronic communications networks. Synergies across sectors may significantly reduce the need for civil works due to the deployment of electronic communications networks and therefore also the social and environmental costs linked to them, such as pollution, nuisances and traffic congestion.</p> <p>Since infrastructure investment actions in this project constitute state aid, they are aligned with corresponding state aid principles for broadband networks</p> | |

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| Investment priority | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| in EU and Croatia, which particularly relates to State Aid Guidelines (OJ C 25/2013). Actions will be implemented under National Broadband State Aid Schemes for aggregation network, respectively - National Programme for Backhaul Broadband Infrastructure (NP-BBI) for aggregation (backhaul) networks. State aid clearances, being obtained for NP-BBI in parallel with programming process for period 2014-2020, will facilitate execution of project. | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy | | | | | | | |
|----------------------------|---|--|-------------|--|----------------------------|----------|------------|-----------------------|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO10 | ICT Infrastructure: Additional households with broadband access of at least 30 Mbps | Households | ERDF | Less developed | | | 315,000.00 | MIS | Annual |
| 2a11 | Number of backhaul NGN connection points in NGN white and grey areas | Number | ERDF | Less developed | | | 350.00 | MIS | Annual |

2.A.4 Investment priority

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| ID of the investment priority | 2c |
| Title of the investment priority | Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |

2.A.5 Specific objectives corresponding to the investment priority and expected results

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| ID of the specific objective | 1 |
| Title of the specific objective | Increase of the use of ICT in communication between the citizens and public administration through establishment of ICT coordination structure and software solutions |
| Results that the Member States seek to achieve with Union support | <p>One of the identified problems influencing negatively the level of usage of public e-services in Croatia via internet and communication with the public authorities through on line applications is inadequate and inefficiently managed ICT infrastructure in the public administration. The proposed solution, already supported by a Government decision, is to create the Shared Service Center which will coordinate and manage the use of ICT applications and e-services provided to the citizens by various governmental institutions. That will enable a rational and cost efficient development of an interconnected and interoperable ICT system within the government administration. The management from one Center will impose standards in developing e-services and thereby make them easy to use. The Shared Service Center is one of the long-term measures of the National Reform Program and it has strong political commitment.</p> <p>Within this Specific Objective the server ICT infrastructure for the Shared Service Centre will be financed which will enable creating and managing the Cloud used for the purpose of the SSC.</p> <p>The other closely related problem negatively influencing the level of providing public e-services is a lack of digital data needed for delivery of very complex e-services and specific applications that include processing of data handled by different institutions. To enhance the transparency, accountability and efficiency of the public administration, applications, used for functioning of public institutions and communication with citizens will need to be developed and provided in a consolidated manner. This is seen as a precondition for the adoption of future and emerging technologies and networks for the digital economy in the whole country. Through the coordinated development and offering ICT in consolidated manner various public services data shall become more available to citizens at different management levels (administration, legal and private entities, foreign investors). This approach also helps in promotion of transparency of public administration and helps avoid any potential misuse of data or corruption.</p> |

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| | <p>The specific objective for the use of ERDF funds in Croatia until 2023 is: Increase of the use of ICT in communication between the citizens and public administration through establishment of ICT coordination structure and software solutions. This will be achieved through:</p> <ol style="list-style-type: none">1. Improving the quality and e-communication possibilities between citizens and public administration through financing ICT infrastructure and software necessary to create and assure operations of CLOUD managed by the governmental Shared Service Center2. Development of e-applications in areas crucial for the economic growth prospects and social cohesion like: e-Construction, e-Land Management, e-Justice, e-Health, e-Tourism, e-Schools, e-Culture and e-Inclusion <p>The overall expected result of this specific objective is (in the year 2023 horizon) is to increase the level of the usage of e-government services by citizens measured by e-government services usage by individuals and increase of the population communicating with public institutions.</p> <p>Specific results to be achieved include functioning of the CLOUD and strengthening use of e-services in the mentioned sectors: the increase of percentage of public institutions integrated in the Cloud and number of complex user-centric e-services provided.</p> |
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Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 1 - Increase of the use of ICT in communication between the citizens and public administration through establishment of ICT coordination structure and software solutions | | | | | | |
|--------------------|---|---|-------------------------------------|----------------|---------------|---------------------|----------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 2c11 | E-government services usage by individuals | % | Less developed | 16.00 | 2010 | 55.00 | EUROSTAT | Annual |
| 2c12 | Population communicating with public institutions through online applications | % | Less developed | 30.80 | 2013 | 60.00 | EUROSTAT | Annual |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <p>A phased approach will be applied, whereby the e-services will be developed when the Digital Strategy will be mature, which would provide the overall strategic frame, identify the necessary actions and the monitoring indicators/tools. Framework for building a Centre of Shared Services being defined by the Decision of the Government (the Government of Croatia has adopted the Project plan on the 5 March 2014 after an analysis conducted on 2.300 targeted public bodies to be included in the project) provides a ground for actions related to the Centre to be carried out at the same time while Digital Strategy is being developed. Law on State Information Infrastructure obliges all stakeholders to interconnect registers needed to develop integrated e-services via a government service bus ("Paperless Government" project) and declares central state body responsible for e-Croatia (Ministry of Public Administration) as the authority having responsibility for the coordination, management and monitoring of the development of the state information infrastructure. Ministry of Public Administration as central state body for e-Croatia will be directly responsible for strategies and policies coordination while the complementarity and consistency of investments in terms of infrastructures, platforms and e-services, as well as across e-services will be assured by the state owned agency (directly under the Ministry of Public Administration) designated as agency in charge for operating the CLOUD.</p> <p>Examples of actions to be financed to achieve the specific objectives are the following:</p> <ol style="list-style-type: none">1. Financing the ICT equipment and software for establishment of the Government cloud <p>Under this action ERDF financing will be provided for establishment, equipping and making operational the Government Cloud. This will include operations aimed at:</p> <ul style="list-style-type: none">• Consolidation of the government ICT infrastructure, and common government applications used by the Shared Service Centre.,• delivery of necessary equipment and | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <ul style="list-style-type: none"> • Purchasing or developing software. <p>The beneficiary of the action will be the Ministry of Public administration responsible for the governmental Centre of Shared Services.</p> <p>Target groups: Public institutions</p> <p>1. II. Development of e-applications in the listed below areas:</p> <p>Under this action financing will be provided for developing e-applications in limited number of areas of the utmost importance for the performance of the Croatian Economy and development of e –government services for the use of citizens. Development and functioning of the Centre of Shared Services and those e-services developed in that cloud will be coordinated by the Ministry of Administration and managed by the Centre of Shared Services.</p> <p>Direct beneficiary will be limited number of line ministries mentioned below.</p> <p>The areas listed below were specified in line with National Reform Program 2014, however the Digital strategy which is currently under preparation will establish definite priorities for investments, based on a SWOT analysis.</p> <p>1. <i>e-Health:</i></p> <p>The informatisation of health care in the past 10 years has developed significantly and the existing Central Health Care Information System in Croatia (CEZIH) makes a good basis for informatisation of the entire health care system in Croatia. The system integrates all primary health care institutions and a part of secondary and tertiary health care institutions. Now all remaining institutions have to be integrated, especially hospitals where business and medical processes have to be supported. Since the health sector is a very cost absorbing sector with great influence on the everyday life of citizens there is a need for a healthcare information system to integrate all data circulating in the health care system, and provide transparency, accountability and accessibility of data to authorized entities, with a high level of safety and protection. It is necessary to achieve interoperability of information systems in health care with all state administration bodies (joint services), as well as with the EU countries.</p> <p>Investment in cloud based standardized interoperable business and health hospital application systems, development of integrated information system for</p> | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <p>the Croatian Health Insurance Company, development of e-Directives, e-Drug prescription, implementation and upgrade of HR DRG payment system</p> <ul style="list-style-type: none"> • Informatization of central health system (development of internal information system e-HZZO, e-Guidelines, e-Medication, introduction and upgrade of HR DRG system for payment and monitoring of health system) • e-Hospital – establishment of standardized, integrated and interoperable information system in Croatian public hospitals <p>Beneficiary: Ministry of Health and the Croatian Health Insurance Company</p> <p>Target groups: employees in health institutions, citizens, tourists</p> <p>1. <i>e-Schools</i></p> <p>One component of the Major Project E-schools aiming to create digitally mature schools for the 21st century is envisaged to be financed within 2.3 investment priority - integration of existing and development of new e-services needed for the flawless and simple operation of school entities:</p> <ul style="list-style-type: none"> • e-services for administration processes • e-services for teaching and learning processes • e-services for communication processes <p>Beneficiary: Ministry of Science, education and sports</p> <p>Target groups: employees in educational institutions, primary and secondary school students</p> <p>1. <i>e-Land and spatial planning Administration</i></p> <p>Further development of ICT systems through establishment of an integrated transparent system for improving the spatial planning process, ICT applications to support database for the creation of spatial planning documents, procedures in the field of construction, supervision and inspection, development and strengthening of national application for discovering, access and download of spatial information of the public sector and provide e-</p> | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <p>services in land administration.</p> <p>Subprojects (Ministry of Construction and Physical Planning) :</p> <ul style="list-style-type: none"> • e-Permit system • Database of real estate sales tariffs and the price level of rental properties • Introduction of a new IT system for building supervision and inspection works <p>Subprojects (State Geodetic Administration, Croatian Institute for Spatial Development):</p> <ul style="list-style-type: none"> • Integrated system of spatial data • Development of digital National Spatial Plan <p>Beneficiary: Ministry of Construction and Physical Planning, Croatian Institute for Spatial Development and State Geodetic Administration</p> <p>Target groups: employees in land administration institutions, business entities, and general public</p> <p>1. <i>e-Culture</i></p> <p>Establishing national IT system for processing of digitized cultural heritage ensuring preservation and presentation of cultural heritage, both nationally and EU wide as well as providing information accessible to the public.</p> <p>Subproject:</p> <ul style="list-style-type: none"> • Establishment of national IT solution for collection, processing, distribution and storing digitised cultural heritage and integration with EUROPEANA. | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <p>Beneficiary: Ministry of Culture</p> <p>Target groups: employees in the cultural sector, general public</p> <p>1. <i>e-Tourism</i></p> <p>Development of e-tourism IT system including central and integral IT system consolidating all the data on tourist boards and registered stakeholders in tourist sector ensuring accurate and reliable information thus contributing to higher service quality, citizen and tourists satisfaction and tourism industry.</p> <p>Subprojects:</p> <ul style="list-style-type: none"> • Central IT system for tourist board categorization • Tourist information system <p>Beneficiary: Ministry of Tourism</p> <p>Target groups: employees in tourist institutions, tourists</p> <p>1. <i>e-Justice</i></p> <p>Establishment of interoperability and interconnectivity of justice registers between both national and EU registers in order to create integral e-justice system facilitating access to justice by citizens and businesses.</p> <p>Subprojects:</p> <ul style="list-style-type: none"> • Interoperability with EU systems and registers • Establishment of interoperability infrastructure within the national registers | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <ul style="list-style-type: none"> • Upgrade of Land information system <p>Beneficiary: Ministry of Justice</p> <p>Target groups: business entities, general public</p> <p>1. <i>e-Inclusion</i></p> <p>Development of central IT system for the Ministry of homeland war veterans by integrating all the data through ensuring interconnectivity and interoperability with other relevant stakeholders providing strengthened ministry capacities to provide timely and quality support for the veterans.</p> <p>Subprojects:</p> <ul style="list-style-type: none"> • Integral information system for the Ministry of Homeland war veterans • Application for placement of homeland war veteran’s cooperatives • Information system of veterans centers <p>Beneficiary: Ministry of Homeland veterans</p> <p>Target groups: employees in Ministry of Homeland veterans, homeland veterans, the general public</p> <p>The development of e-services under investment priority 2c will build on the results of strategic projects “e-Citizens” and “Paperless Government”, already in implementation and defined by the Law on the State Information Infrastructure, with the goal to achieve “just once and digital”. In general, important public websites and online services will fully take part in public life and will be in line with international web accessibility standards.</p> | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <p>Synergies and complementarities are planned to be achieved by supporting different aspects of ICT also under other thematic objectives under OPCC:</p> <ul style="list-style-type: none"> • Under investment priority 2a, it will be ensured that investments into broadband development are focused, among other priority areas, especially on those areas where they can benefit public administration institutions the best; • Under priority axis 3 aiming at enhancing the competitiveness of SMEs - investment priority 3.4. <i>Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes</i>, action is foreseen to support SMEs in introducing and implementing e-business solutions provided by ICT; • Interventions within Investment Priority 10a - procurement of specialized ICT equipment for teachers and learners as well as other ICT related equipment. <p>Complementary actions with above mentioned ERDF type of activities will be provided through ESF, namely OP EHR:</p> <ul style="list-style-type: none"> • Under Investment priority 10.3 (i.e. development of digital educational materials, tools and methods as well as organizational models supporting their use on a national level; development of digital competences of school teachers, headmasters and expert staff, specifically in the context of using ICT for teaching and learning and systemic support to schools in introducing ICT in teaching and learning). • Under thematic objective 11 aiming at smart public administration. | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <p>All operations to be financed under envisaged actions will be in line with currently being developed the Digital Growth Strategy (representing ex-ante conditionality. Frame for setting up the Centre of Shared Services and building necessary infrastructure to consolidate provision of e-services by the – government is provided in the Law on the State Information Infrastructure.</p> <p>Operations financed under support for development of –e-applications in selected areas crucial from the point of Croatian Economy and development of e-</p> | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
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services will comply with sectorial strategies and relevant plans:

- e-Health - Health Strategy of the Republic of Croatia (first strategic development priority identified is informatisation and e-health development)
- e-Schools - Strategy for education, science and technology (currently under preparation; underlines the importance of ICT in the education system)
- e-Land Administration - Strategy for Managing property owned by Republic of Croatia (2013) (the need to develop e-services and interconnect public registries (chapter 12.3., 12.4. and 13) is emphasized); Strategic plan of Ministry of Construction and Physical Planning 2013-2016 (identifies need for further development of ICT within the respective sector special goal 1.5 and 1.6.).
- e-Culture Strategy for digitalization of cultural heritage 2013 (the main goal is to strengthen and consolidate infrastructure for digitalization, use and preservation of digital cultural heritage)
- e-Tourism - Strategy of Tourism of the Republic of Croatia till 2020 (under preparation; emphasize the importance of electronic media and ICT for the development of tourism)
- e-Justice - Strategy of the Development of the Judiciary 2013-2018 (Official Gazette 144/12; emphasizes the importance of electronic media and ICT for the development of judiciary)
- e-Inclusion - Strategy of comprehensive care for Croatian Homeland War veterans, their family members and other victims of war (under preparation; emphasizes the importance of electronic media and ICT for the development of this specific area)

All supported projects will be subject to selection criteria accepted by the Monitoring Committee. All must comply with principles of transparency and non-discrimination (art. 7 and 8 of General ESIF Regulation).

Common overall principle for all actions supported under this specific objective is decreasing costs of development and provision of e-services to citizens.

In general, the priority for ERDF co-financing will be given to projects which contribute the most to achievement of expected results for this specific objective, to the economic development and business opportunities and which will cover the broader scope of citizenship by improving their quality of life.

In the case of the support for equipment, infrastructure and software needed to create and make operational Centre of Shared Services support will be provided only for projects which can clearly demonstrate contribution to creation of the Cloud and integration of various E-Systems used in Croatian

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| Administration. In case of financing of e-applications in chosen sectors priority will be given to systemic projects offering complex solution to digitalization of e-services in a given area. | |

2.A.6.3 Planned use of financial instruments (where appropriate)

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|----------------------------|---|
| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| <p>Major project “E-SCHOOLS” envisages complete informatisation of administration, teaching and learning within schools in order to ensure that a vast majority of Croatian public funded schools become digitally mature (e-mature) by 2022, in accordance with Digital Agenda for Europe, and Republic of Croatia’s Strategy on Education as well as in line with the national Strategy for Broadband Development in the Republic of Croatia 2012-2015.</p> <p>Digitally competent teachers and pupils use ICT in education on daily basis, including, but not restricted to, administrative e-services and e-services for teaching and learning, thus ensuring that pupils of today become competitive workers on the job markets of tomorrow. This project should be completed in 2020 resulting with overall education system digital coverage.</p> <p>Integration of existing and development of new e-services needed for the flawless and simple operation of school entities (e- services for administration processes; teaching and learning processes and e-services for communication processes) represents one of the components of major project that is planned to be financed under this investment priority.</p> | |

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| Investment priority | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health |
| Planned complementary interventions within OPCC will include: | |
| <ul style="list-style-type: none"> Interventions within investment priority 2.1. <i>Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy</i> - providing ultrafast Internet connection for targeted Croatian schools in white and grey NGN areas, within the Major Project Development of aggregation (backhaul) NGN networks in Croatia; Interventions within thematic objective 10 - equipping primary and secondary schools with appropriate LANs (Constructing local Internet networks in targeted schools) and procurement of specialized equipment for teachers and learners as well as other ICT related equipment. | |
| Investment in “E-schools” is also planned through the Efficient Human Resources Operational Programme, within thematic objective 10, by development of digital educational materials, tools and methods as well as organizational models supporting their use on a national level in both primary and secondary schools, integrated with the national curricula; development of digital competences of school teachers, headmasters and expert staff, specifically in the context of using ICT for teaching and learning and systemic support to schools and individual teachers and school leaders in introducing ICT in teaching and learning. | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health | | | | | | | |
|---------------------|--------------------------------------|---|------|-------------------------------------|---------------------|---|--------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 2c11 | Number of institutions integrated in | Number | ERDF | Less developed | | | 300.00 | MIS | Annual |

| Investment priority | | 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health | | | | | | | |
|---------------------|--------------------------------|---|------|-------------------------------------|---------------------|---|-------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | Government Cloud | | | | | | | | |
| 2c12 | Number of e-services available | Number | ERDF | Less developed | | | 15.00 | MIS | Annual |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 2 - Use of Information and Communication Technologies |
|---------------|---|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 2 - Use of Information and Communication Technologies | | | | | | | | | | | |
|---------------|----------------|---|-------------------------------------|------|--------------------|--------------------|---|---------------|---------------------|---|----------------|----------------|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
| | | | | | | M | W | T | M | W | T | | |
| CO10 | O | ICT Infrastructure: Additional households with broadband access of at least 30 Mbps | Households | ERDF | Less developed | | | 80.000,00 | | | 315.000,00 | MIS | This indicator represents majority of resources allocated to a Specific objective 1, under the Investment Priority 2a. |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 82.114.179,00 | | | 375,238,443,00 | MIS | The milestone presents N+3 rule for the PA excluding 6% |

| Priority axis | | 2 - Use of Information and Communication Technologies | | | | | | | | | | | |
|---------------|----------------|---|-------------------------------------|------|--------------------|--------------------|--|----|---------------------|--|--------|----------------|---|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator. |
| | | | | | | | | | | | | | performance reserve (i.e. total funding allocations for 2014 and 2015 net of 6%). |
| 2c11 | O | Number of institutions integrated in Government Cloud | Number | ERDF | Less developed | | | 40 | | | 300.00 | MIS | Investment contributing to the achievement of this indicator will be implemented in the first phase and represent a precondition for e-services development afterwards. |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 2 - Use of Information and Communication Technologies | | |
|---------------|--------------------|---|--|----------------|
| Fund | Category of region | Code | | € amount |
| ERDF | Less developed | 045. ICT: Backbone/backhaul network | | 86,215,131.00 |
| ERDF | Less developed | 046. ICT: High-speed broadband network (access/local loop; >= 30 Mbps) | | 117,290,390.00 |
| ERDF | Less developed | 048. ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; | | 28,567,447.00 |

| Priority axis | | 2 - Use of Information and Communication Technologies | |
|---------------|--------------------|---|---------------|
| Fund | Category of region | Code | € amount |
| | | also where embedded in other infrastructure such as research facilities, environmental and social infrastructure) | |
| ERDF | Less developed | 078. e-Government services and applications (including e-Procurement, ICT measures supporting the reform of public administration, cyber-security, trust and privacy measures, e-Justice and e-Democracy) | 13,775,000.00 |
| ERDF | Less developed | 079. Access to public sector information (including open data, e-Culture, digital libraries, e-Content and e-Tourism) | 11,400,000.00 |
| ERDF | Less developed | 080. e-Inclusion, e-Accessibility, e-Learning and e-Education services and applications, digital literacy | 11,875,000.00 |
| ERDF | Less developed | 081. ICT solutions addressing the healthy active ageing challenge and e-Health services and applications (including e-Care and ambient assisted living) | 38,486,057.00 |
| ERDF | Less developed | 121. Preparation, implementation, monitoring and inspection | 11,343,651.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 2 - Use of Information and Communication Technologies | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Non-repayable grant | 318,952,676.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 2 - Use of Information and Communication Technologies | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 07. Not applicable | 318,952,676.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| | | | |
|---------------|--------------------|---|----------------|
| Priority axis | | 2 - Use of Information and Communication Technologies | |
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 07. Not applicable | 318,952,676.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| | | | |
|---------------|--------------------|---|----------|
| Priority axis | | 2 - Use of Information and Communication Technologies | |
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| | |
|--|---|
| Priority axis: | 2 - Use of Information and Communication Technologies |
| <p>Under the investment priority 2a and 2c there is a need to provide the support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for investments in NGN broadband access infrastructure, development and functioning of Centre of Shared Services and development of e-services.</p> <p>Potential beneficiaries of NGA access networks (municipalities, towns and counties) grant scheme and Centre of Shared Services/e-services call for proposals (limited number of central state administration bodies) don't have capacity needed and skills to prepare high quality project documentation with all accompanying technical documentation by themselves, in order to apply and receive funding for infrastructural investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.</p> | |

2.A.1 Priority axis

| | |
|-----------------------------------|--------------------------|
| ID of the priority axis | 3 |
| Title of the priority axis | Business Competitiveness |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

2.A.4 Investment priority

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| ID of the investment priority | 3a |
| Title of the investment priority | Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |

2.A.5 Specific objectives corresponding to the investment priority and expected results

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|--|--|
| ID of the specific objective | 3a1 |
| Title of the specific objective | Easy access to finance for SMEs, including start-ups |
| Results that the Member States seek to achieve with Union support | <p>Activities mentioned below are based on the Draft Ex-ante Assessment - Financial Instruments Business Competitiveness (especially in terms of defining such needs in relation to ESIF 2014-2020), which has shown that there is an on-going financing gap on the market, whereby a sizeable share of economically significant SMEs cannot obtain financing from banks, capital markets, nor other suppliers of finance due to structural market characteristics.</p> <p>Actions under this SO will help enhance access to financial capital for SMEs in all stages of their development, by setting up financing models corresponding to business needs such as capital, loans, guarantees (or combination thereof).</p> <p>Development of financial instruments in Croatia will facilitate SMEs at different stages of development to grow their businesses through investments into new ideas implemented into viable business models.</p> <p>Based on the completed Ex-ante Assessment of Access to Finance Market Gap suitable and innovative instruments adapted to the relevant market circumstances will be proposed.</p> <p>It has been preliminarily envisaged that for instance loans and guarantees funds would be mainly provided to SMEs that need to upgrade their infrastructure, including investments into machinery or job place equipment. Also, risk capital funds, including business angels, seed and venture capital would be addressed to innovative SMEs, including innovative start-ups, also operating in the areas identified in S3, to invest capital in novel technology, business model in high technology industries, knowledge intensive activities with high growth potential, including creativity oriented goods and services. The exact details and types of financial instruments, as well as their optimal mix will be finally confirmed within the completion process of the mentioned Ex ante assessment.</p> <p>Financing of SMEs through financial instruments co-financed by ERDF is on the overall expected to increase the leverage of private funding, stimulate economic activity and help create and maintain jobs. Also, the number of SMES, including start-ups using external financing will increase, which will allow SMEs, including innovative ones, to upgrade their processes and</p> |

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| | <p>implement new ideas into viable business activities.</p> <p>The specific result expected to be achieved under this S.O. is an increase of the share of FI in the portfolio of financing of SMEs.</p> <p>Development of detailed implementation arrangements and ensuring their consistency with grant funding and other forms of support, will require continuous work, improvements and coordination between all institutions involved, comprising a process which is also planned to be supported within this S.O. in the form of ongoing technical assistance in planning, coordination, implementation, monitoring and evaluation.</p> |
| ID of the specific objective | 3a2 |
| Title of the specific objective | Favourable environment for entrepreneurship development |
| Results that the Member States seek to achieve with Union support | <p>In order to facilitate SMEs to overcome their weaknesses, related to financial, organisational and technical capabilities and inadequate skills, as barriers for their development and growth, there is a need of systemic support both for persons willing to start a business and for already established SMEs.</p> <p>The support will be aimed at providing high quality services to SMEs, to enhance their interest and activities in development and growth as a crucial condition to improve their competitive position on the market.</p> <p>The scope of services rendered by a wide range of BSOs – such as regional development agencies, incubators, accelerators, technology parks and other kind of service providers to SMEs, will cover information on legal aspects of doing businesses, trainings for start-ups, assistance in applying for FIs, mentoring in business development and assistance in diagnosis of SMEs weaknesses and challenges to facilitate SMEs to use advisory services in an efficient and smart way. As highly innovative activities require more specific knowledge and services, the pro-innovated BSOs’ services will be developed.</p> <p>Support will be also provided for the enhancement of business infrastructure capacities, focusing on the improvement of existing and the creation of new physical business support infrastructure where needed (including incubators and technology parks) and boosting BSOs capacities to provide advanced services efficiently and effectively.</p> |

The increase of the competences of future and existing entrepreneurs is also associated with the availability of relevant infrastructure and initiatives devoted to promotion of lifelong entrepreneurial learning (LLEL). South East European Centre for Entrepreneurial Learning (SEECCEL) is a unique example of structured regional cooperation of eight countries in South-East Europe in policy research and exchange of best practices in the development and promotion of entrepreneurial learning. In that sense, construction of a SEECCEL as policy development implementation center in LLEL, that will serve teaching and training staff of the Danube Region countries, has been envisaged. At the same time, complementary support for the measures aiming at improving the quality and relevance of its soft programmes and activities will be provided through the ESF OPEHR 2014-2020, following the completion of the ongoing IPA MB project activities in 2016.

Due to the low perception of entrepreneurs in Croatian society the attitudes towards the feasibility of self-employment are much more negative than in other EU countries, whereby activities promoting business and trade support development of a positive attitude towards entrepreneurship and strengthening of entrepreneurial mind-set will be undertaken. The activities include continuous communication with the general public with the aim to encourage entrepreneurship, innovation, internationalization and application of corporate social responsibility in the Croatian economy. These measures will be complemented with actions envisaged under TO11, both in OPCC and OPEHR.

The result expected to be achieved is a positive change in attitude towards entrepreneurship (SBA fact sheet), increase in the number of SMEs, their business development and growth, upgrade of entrepreneurial skills and facilitation of access to high quality services. They will constitute complementarity to IP 3.4 direct support to SMEs.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 3a1 - Easy access to finance for SMEs, including start-ups | | | | | | |
|--------------------|--|---|-------------------------------------|----------------|---------------|---------------------|-----------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 3a11 | Share of FI in the portfolio of finances of SMEs | % | Less developed | 0.00 | 0 | 0.00 | To be confirmed | Annual |
| Specific objective | | 3a2 - Favourable environment for entrepreneurship development | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 3a21 | Change in attitude towards the entrepreneurship (SBA fact sheet) | Number | Less developed | 40.00 | 2012 | 60.00 | SBA Fact Sheet | Annual |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| <p><u>Under SO 3.1.1 Easy access to finance for SMEs, including start-ups</u></p> <p>Since Croatia does not have financial instruments interventions financed under NSRF 2007-2013, the proposed FIs' for 2014-2020 (under TO3 especially) build upon experience with the use of domestically funded measures, limited experience of CIP and best practice captured by other EU member states and pending the completion of a full ex-ante assessment, preliminary illustration of examples involves:</p> <ul style="list-style-type: none">• Establishment of new and development of existing FI so that they are appropriate for each development stage of an enterprise, in accordance with their more specific requirements, such as for example:• guarantees towards bank loans;• loans to start-up, micro and small businesses (micro-loans) for investment in fixed assets and combination of thereof with working capital;• lending to SMEs for investments related to the development and introduction of significantly modified or new products or services or production processes, possibly based on risk-sharing with the banking sector;• individual guarantees towards bank loans for SMEs focused on investment and growth;• small equity investments based on business angels concept in seed and early start-up phases technology incubation and acceleration with high growth prospects, especially in the priority areas identified in 3S Strategy - micro businesses, with possible blending with grant support• venture capital-type equity investments in early and growth phases of high-tech companies• collateralised project-based lending (individual) for innovative start-up small businesses with significant technology growth potential; possibly with subsidised interest rates; | |

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| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| <ul style="list-style-type: none"> • providing assistance to beneficiaries in managing their investment projects. • Complementary actions involve: • promotion of established FI • technical assistance in the setting up of the FI system, management, monitoring, evaluations, risk-assessments and other analysis needed for set up of additional FIs, changes to the investment strategy etc. <p>Beneficiaries: loan funds, guarantee funds, seed capital funds, venture capital funds, business angels, other forms of public-private partnerships.</p> <p>Target groups: SMEs in all stages of development.</p> <p><u>3.1.2) Favourable environment for entrepreneurship development</u></p> <p><u>Development of services for SMEs, including start-ups, , especially in the field of:</u></p> <ul style="list-style-type: none"> • carrying out business activity in Croatia (covering: regulatory framework and updates on the changes, standards, certifications and norms, sale and marketing etc.) across Croatia to facilitate SMEs to adopt to new, changing regulatory framework, • trainings for start-ups as a pre-condition for micro-loans under the EHR OP and assistance/coaching and mentoring to facilitate business launching, • SMEs weaknesses/challenges diagnosis to facilitate SMEs to identify gaps/barriers to develop business activity, • mentoring for SMEs to facilitate overcoming the difficulties - network of mentors will be created and developed. <p>It is envisaged to develop a well recognizable by SMEs network of professional BSOs actively performing to encourage SMEs, including start-ups to use high quality services to develop. Thus, the BSOs will promote entrepreneurship development in their regions under the umbrella of the MEC/HAMAG-BIRCO. The aim of the network coordination is to guarantee solid, professional services across Croatia (available in each county at the same quality level to facilitate all SMEs access to services provided), which will provide an integrated assistance to SMEs in all stages of development, tailored to their needs.</p> | |

| | |
|---|--|
| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| <p>Support to BSOs would thus entail covering costs directly related to information, advisory/mentoring services and trainings providing, upgrading of their premises, when necessary, (especially involving equipment necessary to improve the provision of their services), costs of staff trainings, costs of developing specific quality services to SMEs and development of each specific training, information or other form of support to SMEs, promotion of services provided).</p> <ul style="list-style-type: none"> • <u>Promotion of entrepreneurship</u> in the society as such i.e. in form of international conferences/workshops/seminars and networking events including contests for youth/start-ups and SMEs at international, national and regional level with the BSOs participation, promotion of success stories of entrepreneurs. • <u>Support for accelerators</u> (pro-innovative BSOs with appropriate infrastructure incubation and investment vehicle) for seeking and selection of innovative ideas, support in setting up start-ups, including sin offs on the basis of innovative ideas (so-called pre-incubation) and capital contributions for newly established enterprises (covering analyses of innovation solution and its market potential (market analysis, business plan and feasibility study), preparatory works related to starting a business on the innovative idea and early stage investing into the start-up (by covering shares) and mentoring for access to market provided, • Support to the improvement of the quality of existing and creation of new advanced <u>business infrastructure</u> and related business services offered to enterprises (such as entrepreneurship and technology incubators and technology parks, involving services specifically tailored to innovative and creative SMEs, including start-ups, such as: preferential business facilities lease space, organizational and business consulting assistance, IPRs protection and management, know-how and technology transfer, assistance with the tenants business plans and development strategies, market research and promotion, business skills development, licencing intermediation, management and project management, trainings, certification, consulting assistance, joint marketing efforts on trade fairs and exhibitions, networking, ICT and administrative support etc.) • <u>Physical development and the construction of SEECCEL</u> as a modern policy development implementation centre in LLEL promoting entrepreneurial learning (whereby further development of its activities and services will also be co-financed by ESF in a complementary manner) <p>Beneficiaries: Business Support Organisations (such as entrepreneurial associations, Chamber of Economy, Chamber of Crafts, Croatian Association of Cooperatives, accelerators, incubators, entrepreneurship centres, regional development agencies, SEECCEL), public authorities (including the MEC, HAMAG-BIRCO).</p> | |

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| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| Target groups: SMEs, including start-ups. | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| <p>Operations selected must prove relevance and contribute to the achievement of the objectives of OPCC and specific objectives 3.1.1. and 3.1.2. under TO3, I.P. 3.4., ensure impact on competitiveness and innovativeness of SMEs, financial viability, sustainability, technical readiness and maturity, value added and growth potential.</p> <p>To support balanced regional development, projects from less developed regions will receive additional points during the scoring process, higher co-financing rates and technical assistance, as applicable.</p> <p>Appraisal of projects will be subject to selection criteria approved by the Monitoring Committee.</p> <p>In relation to the SO specific selection criteria will include:</p> <p><u>Easy access to finance for SMEs, including start-ups</u></p> <p>Operators will be chosen on the basis of assessment of their organisational and human capacity to deal efficiently with FI, especially in how they manage to place the funding on the market, so that it reaches the final recipient, i.e. SMEs.</p> <p>Investments that are to be supported through financial instruments shall be primarily new investments and actions, i.e. not physically completed or fully implemented at the date of the investment decision by the respective financial intermediary. Operations supported by financial instruments are expected to yield in significant leverage level.</p> | |

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| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| <u>Favourable environment for entrepreneurship development</u> | |
| <p>In selection of BSOs under the network, the following criteria will be used: technical and human capacity, ability for networking and experience in cooperation with SMEs.</p> <p>To ensure equal access to BSO services throughout the territory of Croatia territorial needs and potentials in regard to SMEs will be taken into account.</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|--|--|
| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| <p>Financial instruments are planned to be developed under TO3, S.O. 3.1.1. with the result to be achieved being easier access to finance. Financial instruments appropriate for each development stage of enterprises are planned to be developed, in accordance with the enterprises' requirements during the development cycle (e.g. loans, guarantees (or combination thereof), high-risk financial instruments (e.g. venture capital, seed capital, business angels) etc. Ex ante assessment is currently being completed.</p> <p>*More information shall be provided following the completion of the ex-ante assessment.</p> | |

2.A.6.4 Planned use of major projects (where appropriate)

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| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| <p>No major projects have been foreseen under PA3 thus far.</p> | |

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| Investment priority | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
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2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|-----------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO01 | Productive investment: Number of enterprises receiving support | Enterprises | ERDF | Less developed | | | 3,445.00 | MIS | Annual |
| 3a11 | Financial intermediaries participating in the programmes financed in the SO | Number | ERDF | Less developed | | | 5.00 | MIS | Annual |
| 3a21 | Physical infrastructure equipped and/or constructed | m2 | ERDF | Less developed | | | 66,000.00 | MIS | Annual |
| 3a22 | Business Support Organisations supported | Number | ERDF | Less developed | | | 72.00 | MIS | Annual |

2.A.4 Investment priority

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| ID of the investment priority | 3d |
| Title of the investment priority | Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |

2.A.5 Specific objectives corresponding to the investment priority and expected results

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| ID of the specific objective | 3d1 |
| Title of the specific objective | Improvement of SMEs' performance and growth |
| Results that the Member States seek to achieve with Union support | <p>Performance of the SME sector depends on creation and the extension of capacities for processes, goods and services development, sustaining and increasing employment, value added, sales on foreign markets and adoption of new solutions, including technologies.</p> <p>The increase of SMEs development potential and growth of labour productivity will be achieved by supporting the upgrading and expanding of technological capacities and business processes, suitable for manufacturing and provision of competitive, high quality products and services with significant added value. Providing support to SMEs' investments for the development of economically viable and innovative tourism products, connected with quality of tourist destinations, shall increase SMEs' competitiveness and help minimize the effects of seasonality. As horizontal measure, the SME sector will have the opportunity to implement "green technologies" as added value to their investments. Should their primary goal be achieving greater energy and other natural resources efficiency this type of projects will be supported under TO 4.</p> <p>In order to enable SMEs to compete in the international market environment, it is necessary to support them in achieving required standards and norms improving the quality and conformity of their goods, services or processes in conformity with applicable EU and international standards, norms and standards regulations.</p> <p>The aim is to enhance interconnectivity by providing support to the creation and development of supply chains, value chains, clusters and cooperatives which is essential for achieving better cohesion in the production chain, and which can help SMEs</p> |

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| | <p>benefit more from the market opportunities offered, and improve their performance.</p> <p>The implementation of modern information and communication technologies (ICT) creates the possibility for optimizing the functioning of enterprises and affects directly the growth of innovativeness and competitiveness of the economy. The aim is to finance SMEs projects to deploy e-business solutions, optimising the business processes associated with the production and/or provision of services and the organisation of operations using ICT, which will also enable SMEs to adapt more quickly to the ever changing business environment.</p> <p>The Croatian SMEs wishing to enter international markets and sellers who want to strengthen their export activities have a need for reliable information and advice on the opportunities to enter into or expand in international markets, as well as more dedicated support in the process. It is expected that by investing more into activities of BSOs specifically, more SMEs will be better prepared to enter foreign markets and increase sales of new products internationally.</p> <p>Furthermore, attracting a greater share of FDI by promoting Croatian regions will also create opportunities for local SMEs to integrate into global supply chains and benefit from positive externalities associated with export oriented FDI. Promoting tourism, in particular the visibility of new tourist products and the “year round” approach that will be also supported under this OP, in order to maintain a positive image of Croatia on the key markets and enable SMEs in reaching new ones.</p> <p>To summarise, the result expected to be achieved under will contribute to increase of SMEs’ sales income and increase of value added per employee due to new or upgraded processes, goods and services and skills.</p> |
| ID of the specific objective | 3d2 |
| Title of the specific objective | Improvement of SMEs innovativeness |
| Results that the Member States seek to achieve with Union support | <p>As the SMEs sector is seen as a significant element of Croatian economy with potential to develop and grow improvement of the innovativeness of that sector and more engagement in innovation activities is required to enhance the innovativeness of Croatian economy.</p> <p>Innovative activities supported under this SO will cover investments in implementation of new solutions - technologies, product and organisational innovations, including marketing and social innovations, improvement of SMEs’ IPR advisory and</p> |

including innovative start-ups' capacities to innovate.

Complementary to the TO1 support to R&D activities of SMEs – both in-house and contracted - under this SO the support will be provided to commercialisation of the R&D works results (both carried out by SMEs' themselves or bought on the market) into business activity. Additionally, advisory services for IPRs protection and management will be also provided to SMEs.

Another aim of the SO is to support directly innovative start-ups focusing in their business activity on advanced and innovative, high value added goods and services. This measure is complementary to the support under S.O. 3.1.1., whereby the start-ups without the sound banking records can access necessary financing more easily through financial instruments, and under S.O. 3.1.2., where support to incubators and accelerators for start-ups in early stages of their operations will be offered an overall integrated support in advisory and capital.

It is expected that over time, and also coupled with results of interventions such as collaboration projects between HEI&PRO and SMEs under TO1, there will be more such innovative start-ups in areas outside traditional industries and regions if their projects are estimated to be viable.

Moreover, support will be also provided for technology transfer, innovative development of new or significantly improved existing goods, services or processes. Additionally, the support will be provided to SMEs for their participation in international innovation programmes in order to increase in success rate.

The aim is to improve innovation potential of SMEs by providing support aiming at increasing the number of commercialized R&D outputs, patent applications, and increasing readiness level to innovate.

Establishment of processes and technological capacities based on mid- and high-tech technology for competitive high quality goods/services with high added value to the industries where Croatia has strengths and comparative advantages, such as those identified in S3 strategy, will enhance the competitiveness of important segments of the economy, resulting in renewed and sustainable economic growth and better employment, important for any country seeking to move towards a knowledge based economy.

To summarise, the result expected to be achieved under S.O. 3.4.2. is an increase of number of innovative SMEs compared to

total number of SMEs.

Moreover, the activities will contribute to increase of new solutions applied to SMEs (including commercialization of R&D works results, non-R&D innovations (such as including organisational, marketing and social ones), resulting in an increase of number of innovative SMEs and innovative start-ups and an increase of new to market products provided by the SMEs.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 3d1 - Improvement of SMEs' performance and growth | | | | | | |
|--------------------|--|---|-------------------------------------|----------------|---------------|---------------------|--------------------------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 3d11 | Value added per employee | EUR per employee | Less developed | 16,363.00 | 2012 | 25,000.00 | EUROSTAT | Annual |
| Specific objective | | 3d2 - Improvement of SMEs innovativeness | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 3d21 | Innovative SMEs compared to total number of SMEs | % | Less developed | 0.00 | 0 | 0.00 | EUROSTAT Innovation Union Scoreboard | Every 2 years |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <u>3.4.1 Improvement of SMEs' business performance and growth</u> | |
| 1) <u>Improvement of SME business performance and technical readiness</u> , aiming at launching new (to the market or to the firm) goods and services or new or changed processes and the extension of the capacity of an existing establishment will cover: | |
| <ul style="list-style-type: none">• Support to investments into extension of existing establishments and/or new or changed production processes (technology and also organisation), intangible and tangible assets e.g. construction /refurbishment, equipment and machinery, including investments fostering energy and resource efficiency and those possibly otherwise contributing to combating climate change, and indispensable specialised trainings and advisory for staff;• Support to investments resulting in extension of existing establishments and/or new to market products (goods and services) including intangible and tangible assets e.g. equipment and machinery, industrial design and other 'creative industry' solutions and introduction of non-technological solutions intended for increasing the effectiveness of production and service provision activities, including those leading to reduction of an adverse impact on the environment and indispensable specialised trainings and advisory for staff;• Support for investments in new, innovative and sustainable tourism products and services and extension of existing ones contributing to raising quality and development of tourist destinations, in particular the underdeveloped ones, taking into account destination-based approach and introduction of non-technological solutions intended for increasing the effectiveness of production and service provision activities (including industrial design and other 'creative industry' solutions), including those leading to reduction of an adverse impact on the environment, indispensable specialised trainings and advisory for staff;• Consultancy for SMEs in particular in areas crucial for development and grow such as: strategic planning, change management, HR management, natural resources/energy efficiency, access to external financing, CSR measures, non-R&D-based forms of innovation (such as organizational, marketing and services innovation). | |

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <ul style="list-style-type: none"> • Demining - that requires clearance of the mines and unexploded ordnance from contaminated soil (primarily forest ecosystems) is eligible for the purposes directly linked to projects supported under TO3. <p>(Projects of SMEs with the primary goal of improving energy efficiency of their facilities and/or increasing energy independence and/or investing in renewable energy sources (RES) will be will be supported under TO4);</p> <p>Potential beneficiaries will be: SMEs</p> <p><u>2) Support to enterprises meeting norms and standards and receiving certification of products/services/processes in order to increase competitiveness and access to international markets</u></p> <p>Assistance to the introduction of quality, environmental, process-management and other control and management systems, certificates and standards including carrying out a conformity assessment, setting up an electromagnetic comprehensiveness technical file and obtaining declaration of conformity (EC or other).</p> <p>Potential beneficiaries will be: SMEs</p> <p><u>3) Enhancing interconnectivity of SMEs to strengthen their market position</u></p> <p>Under this action support will be provided within a bottom up approach towards cluster, complementary to SO 1.2.2. where the crucial - from the national perspective - competitiveness cluster will be supported.</p> <p>The support will be provided for:</p> <ul style="list-style-type: none"> • Support to initial phase of innovative clusters development covering organisational cooperation (i.e. focusing on soft investments (development of foundation plans) and on a smaller scale in equipment and physical infrastructure, for joint use of all cluster members) and 'support services linked to cooperation (including i.e. the provision of office space, websites, data banks, market research, handbooks, working and model documents, studies and analyses of the sector the cluster is active in analyses, mapping of supply and value chains, preparing strategy of enhancing competitiveness of the cluster operating in the traditional and new manufacturing and services' industries, in particular in those with foreign | |

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <p>markets expansion potential, support for cooperation projects between the domestic and foreign SME sector and enterprises with foreign market potentials on the overall, advisory services linked to cooperation (consulting, assistance and training for the exchange of knowledge and experiences and for improvement of cooperation) for the cluster members;</p> <ul style="list-style-type: none"> • Support to development of innovative clusters, covering the strategy implementation, including preparation and implementation of joint projects (related i.e. to investments in development of especially new to market or significantly changed products (goods and services) and more efficient processes in the value-chain, involving cluster members), organisational cooperation, support services linked to cooperation, advisory services linked to cooperation and joint representation, i.e. joint participation in fairs in order to save costs, offer a complete range of products and services to potential clients etc. especially for internationalisation purposes etc. <p>The support for R&D projects of the innovative clusters will be available under TO1, SO 1.2.1.</p> <p>Potential beneficiaries will be: innovative clusters[1] and cooperatives, both at early stage of development and mature ones.</p> <p>4) <u>Improving the competitiveness and efficiency of enterprises through ICT</u></p> <ul style="list-style-type: none"> • Support to enterprises introducing and implementing e-business solutions provided by ICT optimising the business processes, integrating business functions, streamlining workflows and enhance interactions with clients and suppliers, to improve their market position and increase their competitiveness. • Supporting e-services creation and provision between enterprises (B2B) and implementation of ICT solutions aimed at establishing processes that extend beyond the boundaries of the enterprise such as supply chain management and customer relationship management, training of employees for work with new ICT systems. • Supporting initiatives aimed at digitalisation of business services and products. <p>Potential beneficiaries will be: SMEs</p> <p>5) Internationalisation of growing and innovative enterprises, covering actions as follows:</p> <ul style="list-style-type: none"> • Advisory/mentoring support for SMEs related to foreign markets expansion (market research, preparing/development of enterprise expansion | |

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <p>plans, including preparing to international trade shows, matchmaking events and other events, finding partners abroad etc.) and implementation of the plans,</p> <ul style="list-style-type: none"> • Support to BSOs involved in internationalisation of enterprises, covering: <ul style="list-style-type: none"> ○ foreign markets analyses, including global trends, analyses of SMEs active in foreign markets; ○ preparation of market entrance strategies of SMEs (in certain branches with high expansion potential) to facilitate SMEs access to foreign markets; ○ providing e-learning trainings for SMEs to expand on new markets; ○ cooperation with foreign BSOs, organising missions to international trade shows and other events (including matchmaking events); • Promoting internationalisation of business activities among SMEs (including information campaigns promoting international operations of SMEs), • Support to the promotion and presentation of Croatia and its regions as a year-round attractive tourist destination by implementation of new tourist products and offer -inter alia, promotion campaigns of tourist products, organisation of promotion events, study visits, on-line campaigns, etc., research into tourist traffic (providing access to up-to-date information on tourist traffic to entities operating in the tourism sector and to improve the quality of tourist traffic research in the regions). • Support related to investment promotion and FDI facilitation (organization of investment outreach campaigns, international investment fairs and investment missions) to attract direct investments, especially open for cooperation with SMEs in Croatia, <p>Potential beneficiaries: SMEs willing to start or expand their activities on foreign markets, innovative clusters, the MEC in cooperation the regional authorities and BSOs (such as entrepreneurial associations, Chamber of Economy, Chamber of Crafts, Croatian Association of Cooperatives, HAMAG-BICRO) involved in internationalisation. Target group: SMEs.</p> <p><u>3.4.2 Improvement of SMEs innovativeness</u></p> <p><u>1) Supporting innovation in SMEs, which covers:</u></p> <ul style="list-style-type: none"> • Support for investments indispensable for implementation of R&D works results (commercialisation) (both carried out by the SME by itself or | |

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <p>bought on the market, including outputs of the support under TO1) into business activity and start production based on the implemented solution, covering further research and development works required to adjust solution to individual needs of SME, covering costs of tangible and intangible assets, industrial design, indispensable specified trainings and advisory, service development and promoting entry on the market.;</p> <ul style="list-style-type: none"> • Advisory for SMEs for IPR protection and management covering patent application (direct preparation costs and patent application - invention submission, industrial designs and utility models (excluding patent application costs related to protection only on territory of Croatia) and implementation of IPR, including freedom-to-operate analyses; • Improving readiness of SMEs for innovation: support to encourage businesses to engage in innovation and test the commercial potential of their innovative ideas (related to proof of innovative concept, feasibility studies, business model planning, market research, market testing and preliminary technical and laboratory testing, patent search); • Support to investments in implementation of technological solutions intended to enhance the effectiveness of production and service provision activities including identification of technological breakthrough directions, technological audits and preparation of plans for technology development and related necessary investments, • Support for establishing and initial investments and functioning of innovative start-ups and spin-outs for both high-tech and non-tech areas, targeting the market failures including mentoring, in order to transfer innovative ideas and research results into valid marketable goods and services with high market potential. • Support for participation of SMEs in international innovation programmes aimed at cooperation between enterprises and scientific or research institutions or with other enterprises, where the cooperation involves entities from at least two countries and which is aimed at conducting research and development works, covering costs of preparations and submission of one project application in response to one call for proposals under an international innovation program. <p>Potential beneficiaries: innovation driven SMEs (including start-ups, spin-outs, as registered as an entity carrying out a business activity).</p> <p><u>2) Establishment of innovation driven production capacity of SMEs:</u></p> <ul style="list-style-type: none"> • Support to improvement of SMEs' innovation potential by investments into sophisticated innovative technology (preferably key enabling technologies (KET)) and support to knowledge transfer processes' outcomes from scientific or research organizations or other companies, including technical assistance and the established solutions needed to implement the innovation, support for licencing or other forms of IPR | |

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <p>management in particular for and subsectors with best growth opportunities identified in S3;</p> <ul style="list-style-type: none"> • Support to investments in implementation of technological solutions intended to enhance the effectiveness of production and service provision activities including identification of technological breakthrough directions, technological audits and preparation of plans for technology development and related necessary investments, <p>Potential beneficiaries: SMEs focusing on mid- and high- technologies and production of high-value added goods and services in particular for sectors identified in S3.</p> <p>[1] innovation clusters' means structures or organised groups of independent parties (such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, non-for-profit organisations and other related economic actors) designed to stimulate innovative activity by promoting, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster;</p> | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <p>Operations selected must prove relevance and contribute to the achievement of the objectives of OPCC and specific objectives 3.1.1. and 3.1.2. under TO3, I.P. 3.4., ensure impact on competitiveness and innovativeness of SMEs, financial viability, sustainability, technical readiness and maturity, value added and growth potential.</p> <p>To support balanced regional development, projects from less developed regions will receive additional points during the scoring process, higher co-financing rates and technical assistance, as applicable. Moreover, specific aid schemes only for less developed, demographically or geographically deprived areas could be designed, as needed.</p> | |

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <p>Appraisal of projects will be subject to selection criteria approved by the Monitoring Committee.</p> <p>Non exhaustive list of criteria for selection of operations will include:</p> <ul style="list-style-type: none"> • the level of innovativeness of proposed projects understood as novelty level of solution, • contribution to the competitiveness in the given sector or territory (country, region) • cooperation among enterprises, • involvement in internationalisation, • growth potential on the market (international, national, regional). <p>In SO 3.4.2. priority will be given to SMEs in mid- and high-tech technology areas as well as in all knowledge-intensive industries, including services and creative industries with best sustainable growth opportunities.</p> <p>Preference will be given to SMEs who want to implement R&D projects results (i.e, focus on their commercialisation), supported under TO1 and those operating primarily in sectors defined by S3 strategy.</p> | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| <p>Financial instruments that will also contribute to the achievement of goals of I.P. 3.4. are planned to be developed under TO3 IP 3.1. Further development of this part shall be finished after the completion of ex-ante assessment.</p> | |

2.A.6.4 Planned use of major projects (where appropriate)

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| Investment priority | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes |
| No major projects have been foreseen under TO3 so far. | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes | | | | | | | |
|----------------------------|--|--|-------------|--|----------------------------|----------|----------|-----------------------|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO01 | Productive investment: Number of enterprises receiving support | Enterprises | ERDF | Less developed | | | 3,445.00 | MIS | Annual |
| 3d11 | SMEs supported in obtaining certificates (standards) | Number | ERDF | Less developed | | | 1,400.00 | MIS | Annual |
| 3d12 | Clusters, cooperatives and value chains supported | Number | ERDF | Less developed | | | 200.00 | MIS | Annual |
| 3d13 | SMEs receiving support for | Number | ERDF | Less developed | | | 433.00 | MIS | Annual |

| Investment priority | | 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes | | | | | | | |
|---------------------|--|---|------|-------------------------------------|---------------------|---|------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | introduction of new products | | | | | | | | |
| 3d14 | SMEs that received support for internalisation | Number | ERDF | Less developed | | | 0.00 | MIS | Annual |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 3 - Business Competitiveness |
|---------------|------------------------------|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 3 - Business Competitiveness | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|---|-----|---------------------|---|----------|----------------|---|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
| | | | | | | M | W | T | M | W | T | | |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 253 | | | 1,263.00 | MIS | 100% of the ERDF allocation to PA 3 The indicator shows the actual pace of incurring and verifying eligible expenditure of projects. |

| Priority axis | | 3 - Business Competitiveness | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|--|-------|---------------------|--|----------|----------------|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, |
| CO01 | O | Productive investment: Number of enterprises receiving support | Enterprises | | | | | 1.137 | | | 3,445.00 | MIS | Selected indicator covers more than 50% of the overall allocation and is most representative of the relevant operations under PA3. |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 3 - Business Competitiveness | | |
|---------------|--------------------|--|--|----------------|
| Fund | Category of region | Code | | € amount |
| ERDF | Less developed | 001. Generic productive investment in small and medium –sized enterprises ('SMEs') | | 592,000,000.00 |
| ERDF | Less developed | 064. Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation) | | 77,000,000.00 |
| ERDF | Less developed | 066. Advanced support services for SMEs and groups of SMEs (including management, marketing and design services) | | 168,000,000.00 |
| ERDF | Less developed | 072. Business infrastructure for SMEs (including industrial parks and sites) | | 108,500,000.00 |
| ERDF | Less developed | 121. Preparation, implementation, monitoring and inspection | | 21,000,000.00 |

| Priority axis | | 3 - Business Competitiveness | |
|---------------|--------------------|------------------------------------|--------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 122. Evaluation and studies | 1,500,000.00 |
| ERDF | Less developed | 123. Information and communication | 2,000,000.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 3 - Business Competitiveness | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Non-repayable grant | 720,000,000.00 |
| ERDF | Less developed | 03. Support through financial instruments: venture and equity capital or equivalent | 21,000,000.00 |
| ERDF | Less developed | 04. Support through financial instruments: loan or equivalent | 196,000,000.00 |
| ERDF | Less developed | 05. Support through financial instruments: guarantee or equivalent | 33,000,000.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 3 - Business Competitiveness | |
|---------------|--------------------|------------------------------|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 07. Not applicable | 970,000,000.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | | 3 - Business Competitiveness | |
|---------------|--|------------------------------|--|
|---------------|--|------------------------------|--|

| Fund | Category of region | Code | € amount |
|------|--------------------|--------------------|----------------|
| ERDF | Less developed | 07. Not applicable | 970,000,000.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| Priority axis | 3 - Business Competitiveness | | |
|---------------|------------------------------|------|----------|
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| Priority axis: | 3 - Business Competitiveness |
|--|------------------------------|
| <p>Main technical assistance types of measures envisaged specifically for the purposes of supporting PA 3 are the following:</p> <ul style="list-style-type: none"> • Strengthening the administrative and technical capacities of institutions responsible for implementation and enforcement of entrepreneurship related policies (from governmental level to the local authorities and utilities under their responsibility); • Raising public awareness and education related to activities under this priority axis; • Technical assistance in the form of the project pipeline preparation for current financing period but also for the next one; • Support for development of specific studies above the project level e.g. regional or subsector studies, data generation, etc. in order to facilitate the implementation of priority axis. <p>Technical assistance in the setting up of the FI system, management, monitoring, evaluations, risk-assessments and other analysis needed for set up of additional FIs, changes to the investment strategy, promotion of established FI, etc.</p> | |

2.A.1 Priority axis

| | |
|-----------------------------------|--|
| ID of the priority axis | 4 |
| Title of the priority axis | Promoting Energy Efficiency and Renewable Energy Sources |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

2.A.4 Investment priority

| | |
|---|---|
| ID of the investment priority | 4b |
| Title of the investment priority | Promoting energy efficiency and renewable energy use in enterprises |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 4b1 |
| Title of the specific objective | Increasing energy efficiency and use of RES in manufacturing industries |
| Results that the Member States seek to achieve with Union support | <p>In 2011 share of industry sector in the final energy consumption was 18% and in terms of source it is largely carbon based (more than 65%). The energy consumption trend in the industry is downward with 24% decrease in the 2007 – 2011 period, mainly due to the overall turmoil in economic activities and production. The decreasing trend in energy consumption is present in almost all manufacturing industries it just differs in the intensity (for example - 13,6 in the chemical sector, 9.8% in the construction material production sector, 2.1% in paper industry section and 1.4% in metal industries).</p> <p>The aim of this specific objective is to support measures that will contribute to the improvement of energy efficiency and introduction (switch to) renewable energy sources in the manufacturing industry sector, including more specifically the following type of industries: iron and steel, non-ferrous metal, chemical, glass, pottery and building material, ore-extraction, textile, lather and clothing, paper and printing, engineering and other metal and other industries excluding food, drink and tobacco industry.</p> <p>The 2nd National Action Plan on Energy Efficiency estimates that saving in the non ETS industry sector will constitute 17% of the total savings target for 2016. Also industry sector will have an important role in achieving RES goals for 2020, National Action Plan for Renewable Energy Sources to 2020 set target for increasing RES in the final energy consumption in heating and cooling from current 13,5% in 2012 to 19.6% in 2020.</p> <p>Those measures will on the one hand contribute to the achievement of national and EU energy / climate change goals but they will result in increased competitiveness of the enterprises due to improvements of energy efficiency and more advanced energy management as an overall concept. It is important to note that this specific objective encompass all the enterprises (not just SMEs), but of course subject to the relevant state aid rules.</p> <p>Based on 3rd NEEAP projections related to the necessary measures and their costs, it is estimated that allocation available under this SO would allow to achieve approximately 30% of the goal (target) of reduction of energy consumption in industry sector by 2020.</p> |

| | |
|--|---|
| ID of the specific objective | 4b2 |
| Title of the specific objective | Increasing energy efficiency and use of RES in private service sector (tourism, and trade) |
| Results that the Member States seek to achieve with Union support | <p>In 2011 share of service sector in the final energy consumption was 12% and in terms of energy source it was dominantly carbon based. While the energy consumption in the industry is having downward trend the service sector had a stable growth path in terms of its share in the final consumption by the 2011, mainly due to the tourism sector.</p> <p>The aim of this specific objective is to support measures that will contribute to the improvement of energy efficiency as well as introduction of (switch to) renewable energy sources in the commercial service sector, more specifically to the tourism and trade subsectors. Out of the total commercial service sector objects (buildings) around 10% is attributed to the tourism facilities and 30% to trade facilities. Having in mind not just the size (in GDP), but also strategic importance for the country and potential for energy savings and introduction of RES, this SO will be focused on tourism related services.</p> <p>The 2nd National Action Plan on Energy Efficiency estimates that saving in the service sector will constitute 19% of the total savings target for 2016. Service sector will have an important role in achieving RES goals for 2020, especially target for increasing RES in the final energy consumption in heating and cooling. The latter is of particular importance since around 45% of the final energy consumption in the commercial buildings in southern part of Croatia is dedicated to the cooling only. Therefore it is envisaged that majority of investments will be attributed to the solar energy production and measures for increasing efficiency of cooling systems.</p> <p>Those measures will on the one hand contribute to the achievement of national and EU energy / climate change goals but they will result in increased competitiveness. It is important to note that this specific objective encompass all the service providers (not just those falling under SMEs) but of course subject to the relevant state aid rules.</p> <p>Based on 3rd NEEAP projections related to the necessary measures and their costs, it is estimated that allocation available under this SO would allow achieving cca 30% of the goal (target) of reduction of energy consumption in service sector by 2020.</p> |

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 4b1 - Increasing energy efficiency and use of RES in manufacturing industries | | | | | | |
|--------------------|--|--|-------------------------------------|----------------|---------------|---------------------|---------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 4b12 | Energy savings in manufacturing industries | PJ | Less developed | 1.21 | 2010 | 1.91 | Ministry of economy | Annually |
| 4b11 | Increase of renewable energy in gross final energy consumption in the manufacturing | 1000 toe | Less developed | 51.00 | 2012 | 56.00 | Ministry of Economy | Annually |
| Specific objective | | 4b2 - Increasing energy efficiency and use of RES in private service sector (tourism, and trade) | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 4b22 | Energy savings in service sector | PJ | Less developed | 0.33 | 2010 | 0.63 | Ministry of economy | Annually |
| 4b21 | Increase of renewable energy in gross final energy consumption in the service sector | 1000 toe | Less developed | 1.45 | 2012 | 1.60 | Ministry of Economy | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|---|--|
| Investment priority | 4b - Promoting energy efficiency and renewable energy use in enterprises |
| <p>Main target groups and beneficiaries:</p> <p>SO 4b1 and SO 4b2</p> <p>Enterprises (including SMEs and larger enterprises)</p> <p>Example of actions to be financed to achieve the specific objectives:</p> <p>SO 4b1 and SO 4b2</p> <ul style="list-style-type: none">• Development of infrastructure for renewable energy sources in manufacturing industries and service sector (tourism and trade) including switch from conventional to alternative (RES) energy such as: installation of solar collectors, heat pumps, high efficient co-generation• Implementation of measures for increasing energy efficiency in manufacturing industries and service sector (tourism and trade) including:• “soft measures”- introduction of systematic energy management, performance of energy audits, control of analyses of energy consumption, preparation of plans for more efficient management of energy, institutional and organisational assessment and proposal for optimising business processes in terms of energy savings,• Infrastructure investments such as smart metering and physical refurbishment of objects that will contribute to achieving energy efficiency targets, | |

| | |
|---|--|
| Investment priority | 4b - Promoting energy efficiency and renewable energy use in enterprises |
| <p>improvement of the currently used technologies, implementation of pilot projects.</p> <ul style="list-style-type: none"> Promotional activities (info pults, brochures, commercials, spots) and advisory services for business <p>Having in mind that SMEs are receiving funding primarily from the Priority axis 3 the demarcation of the possible (energy related) activities between PA3 and PA4 will be ensured as follows: in the cases where energy related measures are part of the integral modernisation of manufacturing technologies, equipment and machinery (for example purchase of new production lines) those measures will be financed from PA3. In the case of projects encompassing only the energy measures in the SME (either energy efficiency ones or RES) then the financing will be done through the PA4. Energy efficiency measures that are dedicated to the renovation of industry / service buildings as such (e.g. management buildings or production hall) will be financed from the PA 4.</p> | |

2.A.6.2 Guiding principles for selection of operations

| | |
|---|--|
| Investment priority | 4b - Promoting energy efficiency and renewable energy use in enterprises |
| <p>Since this Investment priority (both specific objectives) cover investments in private sector within selection the care will be taken in order to avoid over financing of the individual projects i.e. to use public resources to provide undue advantage to the beneficiary on the market.</p> <p>Also the investments planned under this IP have in principle significant revenue stream therefore special care will be ensured in order to avoid (public) over-financing and allow for adequate leverage of private resources.</p> <p>Since these SOs concern primarily market oriented beneficiaries (enterprises) the special care would be taken in order to ensure compliance with the applicable state aid rules as detailed in the are subject to Guidelines on state aid for environmental protection and energy 2014-2020”, including the maximum aid intensity rate which is lower for the private sector that the public one. In addition during the selection procedure the priority will be given to the project providing for measures aiming above required environmental / energy standards and projects providing biggest benefits in terms of energy</p> | |

| | |
|---|--|
| Investment priority | 4b - Promoting energy efficiency and renewable energy use in enterprises |
| consumption reduction and reduction of GHG. | |
| It is important to note that no RES investments which fall under the “feed in tariff” will be supported by the SOs. | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

| | |
|---|--|
| Investment priority | 4b - Promoting energy efficiency and renewable energy use in enterprises |
| <p>It is intended to use financial instruments for both Specific objectives under investment priority due to the nature of the planned investments. It is expected for the EIB to carry out ex-ante assessment and provide assistance in establishment of the financing instrument in several sectors including energy efficiency and renewable energy sources. However since financing instrument is complex mechanism it is expected that its set-up will require relatively significant amount of time. Therefore in order to secure implementation of programme and in order to be able to achieve goals / targets set both for EE and RES it is intended to use more classical type of funding i.e. grant scheme in the meantime. Such financing system is being developed in cooperation and under guidance of Jaspers and it is building upon the existing and running programme (to extend possible) for energy renovation of buildings as well as work / advice of the World bank study on delivery and financing to scale up energy efficiency in the building sector. This funding system will serve as a phasing tool in order to bridge period until the financing instrument is up and ready.</p> | |

2.A.6.4 *Planned use of major projects* (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 4b - Promoting energy efficiency and renewable energy use in enterprises |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 4b - Promoting energy efficiency and renewable energy use in enterprises | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|-------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 4b13 | Nr of enterprises and service providers receiving support | Nr | ERDF | Less developed | | | 50.00 | MIS | Annually |

2.A.4 Investment priority

| | |
|---|---|
| ID of the investment priority | 4c |
| Title of the investment priority | Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|---|
| ID of the specific objective | 4c1 |
| Title of the specific objective | Reduction of energy consumption of the public sector buildings |
| Results that the Member States seek to achieve with Union support | In Croatia there are 80,196 of the public buildings with around 14 million square meters of surface which makes 13% of total number of buildings and 10% of the total building surface respectively. As mentioned the buildings have the largest share in the final energy consumption (43% in 2011) and out of that percentage around 11% are attributed to the public sector buildings, while approximately 2/3 of the energy consumed is used for the heating / cooling. More than 80% of the buildings were constructed before 1987 (mainly in the 1940–1970) period and are of energy class D or lower i.e. being characterised as |

| | |
|--|---|
| | <p>large consumers with average energy consumption ranges around 200 kWh/m². As for the energy sources, only 11% of the energy used in the building sector comes from the renewable energy sources (mainly wood for heating). Keys issues in the high energy consumption are insufficient thermal insulation, out-dated heating system (electricity or fossil fuels instead of gas boilers) and insufficient use of renewable energy sources (solar thermal systems, heat pumps, use of biomass).</p> <p>Therefore the rationale for establishment of this SO is the following:</p> <ul style="list-style-type: none"> • The public buildings have a significant share in the total energy consumption in the building sector thus present significant potential for energy and costs savings. As MS Croatia is under obligation from 1 January 2014, according to the Energy Efficiency Directive (2012/27/EU), to renovate (in terms of EE) 3% of the total floor area of heated and/or cooled buildings owned and occupied by its central government each year to meet at least the minimum energy performance requirements, therefore this investment priority is envisaged mainly to contribute to that goal • The public sector is expected to take an exemplary role i.e. provide investments and behaviour change that will serve as an example and catalyst for similar investments in other type of buildings <p>As regards renewables, significant potential exists in the area of RES with the focus on use of biomass, solar energy and heat pumps. That potential will be targeted through the <u>integrated approach</u> i.e. in a way that RES facilities for generation of energy for the purpose of the specific buildings will be supported along with EE measures, primarily for the heating/cooling purposes.</p> <p>The results / targets under this Specific objective is primarily related to the contribution to national targets set (and subsequently to the EU headline targets) in the National Energy Efficiency Plan (energy savings target for the service sector) and RES Action plan (share of RES in the cooling/heating and electricity generation) in 2020.</p> |
| ID of the specific objective | 4c2 |
| Title of the specific objective | Reduction of energy consumption of the residential buildings (multi apartment buildings and family houses) |
| Results that the Member States seek to achieve with Union support | In Croatia there are 762,397 residential buildings (including family houses) with around 150 million square meters of surface which makes 85% of total number of buildings and 74% of the total building surface respectively. Out of the mentioned figure of 762.397 residential buildings family and semi-detached houses represent around 65% and multi-family buildings (multi – |

| | |
|--|--|
| | <p>apartment) around 35%. As mentioned the buildings have the largest share in the final energy consumption (43% in 2011) and out of that percentage around 32% are attributed to the residential buildings, while approximately 2/3 of the energy consumed is used for the heating / cooling. In average household 70% of energy is used for heating, cooling and the heating of water with thermal energy for space heating being mostly ensured with firewood (45%), followed by natural gas (25%), fuel oil (9%) and electrical power (13%) and very limited usage of RES (besides wood). Around 70% of the residential buildings were constructed before 1980 and are of energy class D or lower i.e. being characterised as large consumers.</p> <p>Keys issues in the high energy consumption are high thermal needs, inefficiency of heating systems and the need for replacement of energy sources with environmentally, economically and energetically more favourable sources, especially renewable energy sources.</p> <p>Therefore the rationale for establishment of this SO is the following:</p> <ul style="list-style-type: none"> • The residential buildings (both multi apartment buildings and single family houses) households participate with about 32% in direct energy consumption according to data from 2011, with more than half of that percentage being attached to energy used for space heating, which makes the sector exceptionally significant for achieving the goals of the improvement of energy efficiency; <p>As regards renewables, significant potential exists in the area of RES with the focus on use of biomass, solar energy and heat pumps. That potential will be targeted through the <u>integrated approach</u> i.e. in a way that RES facilities for generation of energy for the purpose of the specific buildings (houses) will be supported along with EE measures, primarily for the heating/cooling purposes.</p> <p>The results / targets under this Specific objective is primarily related to the contribution to national targets set (and subsequently to the EU headline targets) in the National Energy Efficiency Plan (energy savings target for the service sector) and RES Action plan (share of RES in the cooling/heating and electricity generation) in 2020.</p> |
| ID of the specific objective | 4c3 |
| Title of the specific objective | Improvement of the efficiency of the district heating system |

| | |
|---|--|
| <p>Results that the Member States seek to achieve with Union support</p> | <p>District Heating (DH) is provided in 18 cities through 13 companies, and mostly delivered to residential customers. The largest company covering 80% of the market is part of the state-owned HEP utility; all other companies except one are municipality-owned. The DH companies supply around 153,000 households, which represent about 10% of total households and about 20% of urban households. It is important to note that the existing DH system actually covers around 37% of the urban population; however, costumers have been disconnecting from the DH network due to the issues related to quality of service.</p> <p>These issues are driven by the fact that the majority of DH systems are running beyond their design life, and require major replacement and technological upgrades for boilers, substations and network pipes. Current levels of heat losses range 13% to 23% vs. 6-7% best practice, while water losses reach up to 50 times change a year vs. 1 change in best practice.</p> <p>Union support would be directed to investment in the renovation of boilers, substations and network pipes, in order to improve the energy efficiency of the overall DH system and the level of service provided to the households; the specific objective is therefore complementary to the energy efficiency initiatives for residential households. Additionally, EU funds would be used to finance the preparatory work for such investments. It is estimated that reduction in heat losses resulting from the investment could deliver up to 1PJ of energy savings, which represent about 0.5% of total final energy consumption and about 5% of the 2nd NEEAP target. Additionally, the investments will deliver reductions in CO2 emissions through the improved energy efficiency of the DH systems and the replacement of fuel oil-fired boilers with cleaner fuels.</p> |
| <p>ID of the specific objective</p> | <p>4c4</p> |
| <p>Title of the specific objective</p> | <p>Improvement of the efficiency of the public lighting system</p> |
| <p>Results that the Member States seek to achieve with Union support</p> | <p>As regard public lighting system in 2012 in Croatia around 432.2 GWh of energy was spend on the public lighting (which is 3% of total electricity consumption), however with the growing number of consumption points that compensate for the results of the energy efficiency measures funded by national resources i.e. leaving the consumption on the stable level. From the experience of the nationally funded programmes it is expected that measures in the public lighting system can result with savings amounting to 150 GWh/year. This Specific objective is aimed to contribute to the goal set by the 2nd NEEAP which is to achieve savings in the public lighting system of 60 GWh 2016, and to cover 3/4 of the total electricity consumption for</p> |

| | |
|--|---|
| | public lighting by implementing adequate measures for the public lighting system modernisation. |
|--|---|

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 4c1 - Reduction of energy consumption of the public sector buildings | | | | | | |
|--------------------|---|--|-------------------------------------|----------------|---------------|---------------------|---------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 4c11 | Improvement of average heating/cooling demand in public buildings in kwh/m2/year | kWh/m2 | Less developed | 250.00 | 2014 | 50.00 | SMIV; NEEAP reports | Annually |
| Specific objective | | 4c2 - Reduction of energy consumption of the residential buildings (multi apartment buildings and family houses) | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 4c21 | Improvement of average heating/cooling demand in residential buildings in kwh/m2/year | kWh/m2 | Less developed | 250.00 | | 50.00 | SMIV; NEEAP reports | Annually |
| Specific objective | | 4c3 - Improvement of the efficiency of the district heating system | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 4c31 | Decrease of losses of heat produced in the DH networks | % | Less developed | 12.00 | 2013 | 8.00 | Ministry of Economy | Annually |
| Specific objective | | 4c4 - Improvement of the efficiency of the public lighting system | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 4c41 | Energy saving in the public lighting | PJ | Less developed | 0.08 | 2012 | 0.90 | Ministry of Economy | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|---|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| <p>Main target groups and beneficiaries</p> <p>4c1 Public bodies (owner of public buildings);</p> <p>4c2 Physical persons (owner of residential buildings / houses)</p> <p>4c3 and 4c4. Regional and local authorities, public service companies</p> <p>Example of actions to be financed to achieve the specific objectives</p> <p>4c1 and 4c2</p> <ul style="list-style-type: none">· Implementation of the energy renovation program for buildings (public and residential) by promoting deep renovation, including energy audits, energy certification, project documentation, promotion of energy performance contracting and physical measures such as replacing old windows with new ones (with U-values lower than prescribed), thermal insulation to a level that meets the minimum requirements, reconstruction/installation of the heating/cooling system, the roll out of the heat cost allocators, installation of thermostat vaults, installation of heat pumps etc· Installation of smart metering devices, provision of accurate feedback about end-use energy consumption, introduction of home energy management | |

| | |
|---|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| <p>systems, including various wireless communications options (for smart metering) which will contribute to the specific objective by allowing users to management and use energy sources more carefully and efficiently and less costly.</p> | |
| <ul style="list-style-type: none"> · Measures promoting construction of the buildings with nearly zero energy consumption which will allow for gradual radical change in the way energy is used in the building sector; · Promotion of renewable energy use in all building/construction sectors (public buildings and housing sector) such as the installation of solar heating systems, heating plants on biomass etc., high efficient co-generation on RES, thus replacing the conventional fuels and providing stable and secure independent energy sources which is of particular importance for more remote areas. · Management, educational and communication activities: assistance in establishment of capacities for energy measures in the municipalities / counties, preparation of energy plans on regional / local level, introduction of IT programme for continuous monitoring and analysis of the energy consumption, workshops for general public, education of energy advisers, promotional activities (info puts, brochures, commercials, spots) | |
| 4c3 | |
| <ul style="list-style-type: none"> · Investments in district heating network – renovation and modernisation, including measures to reduce losses of heat, water and steam · Renovation of boilers and investments in cleaner and more efficient technologies including possible switch from the current to the use of RES (primarily on biomass) and integration of biogas into the public heating system. · Public awareness and information campaign on use of DH systems | |
| 4c4 | |
| <ul style="list-style-type: none"> · Measures to improve efficiency of the public lighting system i.e. replacement of the current lights with more efficient ones including wider introduction of the LED technology | |

| | |
|----------------------------|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| | |

2.A.6.2 Guiding principles for selection of operations

| | |
|--|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| <p>Specific objectives 4c1 and 4c2</p> <p>Energy audits present mandatory prerequisite for the investments in the buildings; i.e. no investments will be performed on the buildings prior to the energy audit is done; it's important to note that energy audits are eligible for co-financing under this SOs.</p> <p>The main priority criteria for the investments selection will relate to the level of planned savings with deep renovations leading to significant (typically around 30% to 60%) efficiency improvements being the priority. In addition priority will be given to reducing energy consumption in buildings with the energy class D or lower, constructed before 1987.</p> <p>Besides strictly energy related benefits, during selection contribution to the development of the local economies by technology development and creation of new jobs within the renovation activities and usage of the RES locally present (biomass, solar) will be taken into account as well.</p> | |

| | |
|---|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| <p>The attention would be given to apply (where possible according to the recommendation from the energy audits) the integrated approach i.e. to include and join the energy efficiency and RES related measures on the buildings that will be subject of renovation. It is important to note that no RES investments which fall under the “feed in tariff” will be supported by the SOs</p> <p>Specific objective 4c3</p> <p>As for the district heating system the investments will focus on the existing system i.e. the selection will be limited to the current 18 urban areas with DH system with the priority for the areas with higher penetration of the DH. Having in mind the fact that DH system for the moment is developed to a larger scale only in several bigger cities it is intended to implement this SO under the ITI. In parallel during selection of operations special care will be taken to ensure complementarity of DH investments with the investments under Specific objectives 4c1 & 4c2 because the main user of the DH system is the building sector (households and public infrastructure) in order to achieve integral concept (meaning for the DH system and accompany buildings connected to such DH).</p> <p>Specific objective 4c4</p> <p>As for the public lighting system all the investment will have to be part of the Action plans for energy efficient public lighting due to be developed by the local / regional authorities.</p> <p>Specific objectives 4c1, 4c2, 4c3 and 4c4</p> <p>The majority of the investments planned under this IP have in principle significant revenue stream therefore special care will be ensured in order to avoid (public) over-financing and allow for adequate leverage of private resources.</p> | |

| | |
|--|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| Demining activities will be implemented as a preparatory action whenever necessary i.e. if being a prerequisite for the project implementation they will be included in the total project activities /costs. | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

| | |
|---|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| It is intended to use financial instruments for Specific objectives 4c1 and 4c2 due to the nature of the planned investments. It is expected for the EIB to carry out ex-ante assessment and provide assistance in establishment of the financing instrument in several sectors including energy efficiency and renewable energy sources. However since financing instrument is complex mechanism it is expected that its set-up will require relatively significant amount of time. Therefore in order to secure implementation of programme in order to be able to achieve goals / targets set both for EE and RES it is intended to use more classical type of funding i.e. grant scheme in the meantime. Such financing system is being developed in cooperation and under guidance of Jaspers and it is building upon the existing and running programme (to extend possible) for energy renovation of buildings as well as work / advice of the World bank study on delivery and financing to scale up energy efficiency in the building sector. This funding system will serve as a phasing tool in order to bridge period until the financing instrument is up and ready. | |

2.A.6.4 *Planned use of major projects* (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|----------------|-------------------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO31 | Energy efficiency: Number of households with improved energy consumption classification | Households | ERDF | Less developed | | | 60,669.00 | MIS | Annually |
| CO32 | Energy efficiency: Decrease of annual primary energy consumption of public buildings | kWh/year | ERDF | Less developed | | | 231,000,000.00 | MIS | Annually |
| 4c22 | Decrease of primary energy consumption of housing sector buildings | GWh/year | ERDF | Less developed | | | 943.00 | MIS | Annually |
| 4c32 | Total Energy efficiency savings in the DH system | PJ | ERDF | Less developed | | | 1.00 | Ministry of economy | Annually |
| 4c42 | Decrease of electricity | % per year | ERDF | Less developed | | | 6.00 | Ministry of economy and | Annually |

| Investment priority | | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector | | | | | | | |
|---------------------|---------------------------------|--|------|-------------------------------------|---------------------|---|---|------------------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | consumption for public lighting | | | | | | | Energy efficiency fund | |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 4d |
| Title of the investment priority | Developing and implementing smart distribution systems that operate at low and medium voltage levels |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 4d1 |
| Title of the specific objective | Introducing smart grids in the pilot areas |
| Results that the Member States seek to achieve with Union support | <p>Croatian electricity network is composed out of:</p> <ul style="list-style-type: none"> • 7300 km of transmission system out of majority is on 110 kV level and • 135 000 km of distribution system network (including household connections), with vast majority being on 10 kV and 0.4 kV level. <p>The distribution system at low and medium voltage level (up to 100kV) is characterised by being relatively old (constructed in 1960s and 1970s) and that creates significant issues with efficiency and reliability. In terms of efficiency, losses in the distribution network amount to 9% (out of total electricity consumption in the distribution level).</p> <p>As regards introduction of new technologies (mainly IT based) into distribution system performance is practically at the starts. This relates to the roll out of the smart metering system (to be tackled mainly under specific objective 4.3.1 and 4.3.2.) and</p> |

| | |
|--|--|
| | <p>smart grids. Therefore this specific objective should aim at assisting in initial (pilot) introduction of the smart grids concept in Croatian distribution network. Such measures will provide for security of supply, reduction of technical losses and emissions of CO₂.</p> |
|--|--|

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 4d1 - Introducing smart grids in the pilot areas | | | | | | |
|--------------------|---|--|-------------------------------------|----------------|---------------|---------------------|---|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 4d11 | Decrease losses in the distribution network in which “smart grid” concept is implemented (out of the total consumption in the distribution level) | % | Less developed | 9.00 | 2012 | 7.50 | Ministry of economy Distribution system operator | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|---|---|
| Investment priority | 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels |
| <i>Main target groups and beneficiaries</i> | |
| (Public) Companies in charge of distribution network (Distribution system operator), local authorities | |
| <i>Example of actions to be financed to achieve the specific objectives</i> | |
| <ul style="list-style-type: none">• Promotion and introduction of smart grids technologies in the selected areas as well as other IT technology related energy management measures (such as automation and remote control management) which empower to match consumption with generation• Project preparation activities | |

2.A.6.2 Guiding principles for selection of operations

| | |
|----------------------------|---|
| Investment priority | 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels |
|----------------------------|---|

| | |
|---|---|
| Investment priority | 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels |
| <p>The pilot areas to be covered by this specific objective will be selected by the Ministry of Economy and system operators having in mind the technical criteria (such as underground cable networks or on air, insulated or non-insulated cables), status of the network (i.e. level of deterioration of network system) and economic criteria (cost – effectiveness). Having in mind nature of the investments and availability of resources it is estimated that only 3-5 locations (pilot areas) will be subject to financing.</p> <p>Those pilot projects / areas will be selected in order to represent two types of areas</p> <ul style="list-style-type: none"> • Larger cities (i.e. Zagreb and Split) where the concentration of consumers is highest and consequently the losses and possible savings too. • Medium size cities (i.e. Varaždin and Dubrovnik) since they represents the most common type of settlement in Croatia. | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels |
| Not envisaged | |

2.A.6.4 *Planned use of major projects* (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels | | | | | | | |
|---------------------|--|---|------|-------------------------------------|---------------------|---|----------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO33 | Energy efficiency: Number of additional energy users connected to smart grids | Users | ERDF | Less developed | | | 5,800.00 | MIS | Annually |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 4 - Promoting Energy Efficiency and Renewable Energy Sources |
|---------------|--|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | 4 - Promoting Energy Efficiency and Renewable Energy Sources |
|---------------|--|
| | |

| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
|------|----------------|--|-------------------------------------|------|--------------------|--------------------|---|-------------|---------------------|---|----------------|---------------------|---|
| | | | | | | M | W | T | M | W | T | | |
| CO31 | O | Energy efficiency: Number of households with improved energy consumption classification | Households | ERDF | Less developed | | | 6.000 | | | 60,669.00 | MIS | |
| CO32 | O | Energy efficiency: Decrease of annual primary energy consumption of public buildings | kWh/year | ERDF | Less developed | | | 135.000.000 | | | 213,000,000.00 | MIS | |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 123.475.833 | | | 531,810,805.00 | Ministry of finance | The milestone present N+3 rule for the PA excluding 6% PR (i.e. allocations for 2014 and 2015 net of 6%). |
| 4.4 | I | Nr of buildings (public and residential) for which works contract have been signed for energy renovation | Nr | ERDF | Less developed | | | 6.000 | | | 12,000.00 | MIS | |

Additional qualitative information on the establishment of the performance framework

Two output indicators (being the common ones) are selected since they cover main priority activity (investment in energy renovation of buildings and households) and majority of resources under Priority axis 4. More specifically the specific objective of the PA dedicated to the buildings covers approximately 60% total PA allocation.

Since it is expected that milestones for 2018 will be relatively modest (having in mind that the EE measures (even in the public buildings sector) are extremely complex ones and it takes time for the whole system to be established and fully operational. In addition it is for the first time for Croatia to implement this kind of measure using the Structural funds resources) a “*Key implementation step*” indicator was added.

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 4 - Promoting Energy Efficiency and Renewable Energy Sources | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 010. Renewable energy: solar | 35,000,000.00 |
| ERDF | Less developed | 011. Renewable energy: biomass | 60,000,000.00 |
| ERDF | Less developed | 013. Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures | 181,810,805.00 |
| ERDF | Less developed | 014. Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures | 90,000,000.00 |
| ERDF | Less developed | 015. Intelligent Energy Distribution Systems at medium and low voltage levels (including smart grids and ICT systems) | 20,000,000.00 |
| ERDF | Less developed | 016. High efficiency co-generation and district heating | 80,000,000.00 |
| ERDF | Less developed | 068. Energy efficiency and demonstration projects in SMEs and supporting measures | 20,000,000.00 |
| ERDF | Less developed | 069. Support to environmentally-friendly production processes and resource efficiency in SMEs | 20,000,000.00 |
| ERDF | Less developed | 070. Promotion of energy efficiency in large enterprises | 25,000,000.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 4 - Promoting Energy Efficiency and Renewable Energy Sources | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Non-repayable grant | 531,810,805.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 4 - Promoting Energy Efficiency and Renewable Energy Sources | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Large Urban areas (densely populated >50 000 population) | 100,000,000.00 |
| ERDF | Less developed | 02. Small Urban areas (intermediate density >5 000 population) | 150,000,000.00 |
| ERDF | Less developed | 07. Not applicable | 281,810,805.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | | 4 - Promoting Energy Efficiency and Renewable Energy Sources | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Integrated Territorial Investment – Urban | 80,000,000.00 |
| ERDF | Less developed | 07. Not applicable | 451,810,805.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| Priority axis | | 4 - Promoting Energy Efficiency and Renewable Energy Sources | |
|---------------|--------------------|--|----------|
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| Priority axis: | 4 - Promoting Energy Efficiency and Renewable Energy Sources |
|----------------|--|
|----------------|--|

Main technical assistance type of measures envisaged under PA 4 are the following:

- promotional activities to stimulate various stakeholders (citizens, private sector etc) to implement energy efficiency and RES measure as well as to manage energy better
- Assistance to relevant authorities and beneficiaries in preparation and implementation of energy efficiency and RES measure since they are very complex and require specific knowledge

Project preparation activity is a horizontal activity within Priority axis (applicable to all Specific objectives)

2.A.1 Priority axis

| | |
|-----------------------------------|------------------------------------|
| ID of the priority axis | 5 |
| Title of the priority axis | Climate Change and Risk Management |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 5a |
| Title of the investment priority | Supporting investment for adaptation to climate change, including ecosystem-based approaches |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|---|
| ID of the specific objective | 5a1 |
| Title of the specific objective | Establishment of the system for climate change monitoring, forecasting and planning of climate change adaptation measures |
| Results that the Member States seek to achieve with Union support | <p>Croatia needs to achieve the shift from being re-active to the proactive approach as concerns climate change. Practically that means transition from the reactive actions on remediation of damages to the proactive activities i.e. adaptation of the living conditions and economic environment to the climate change trends. In that sense overall National strategy for adaptation to climate change is deemed to be developed by the end of 2016, followed by the Action plan on incorporation of climate change adaptation into the sectoral strategies. These strategic documents will define future adaptation activities that will be financed within this Investment priority in the latter stage.</p> <p>In the meantime, 6th National Report on Climate Change under the UNFCCC which was adopted by the Croatian Government in January 2014 will be used as strategic framework as it identifies several areas or type of activities that are pre-determined to be of crucial importance for Climate change resilience and adaptation. Primarily it is related to the modernization and finalisation of the system for climate change monitoring and forecasting i.e. improvement of quality and availability of meteorological (including climatological and hydrological) data and related infrastructure that will enable better understanding of Climate change and thus help to formulate more appropriate policies and measures. In addition to that, the 6th National report recommends measures in vulnerable sectors, such as strengthening of applied research for adaptation measures in Croatia (concerning the impacts of climate change and adaptation needs in relevant sectors) and building awareness and capacities on national and local level. Support for applied research will be focused on research of improved climate change data in relation to the impacts on vulnerable sectors in Croatia and how a variety of adaptation measures might increase the resilience of vulnerable sectors and areas.</p> <p>This Investment priority sets overarching framework and pre-conditions for the activities aiming at the adaptation to the climate change effects. In that sense, main results to be achieved under this Investment priority concern relevant measures, scientific research, data gathering and modelling tools that will contribute to better planning of adaptation measures. The results will ensure that 100% of the territory of Croatia will be covered by regular monitoring and evaluation of CC impacts, as well as by modelling tools for assessment of CC impacts and effects of potential adaptation measures. Other important results concern raising capacities and knowledge, including public awareness on resilience and adaptation. Under this investment priority a phased approach will be used. Once the monitoring and forecasting system and the planning and policy</p> |

| | |
|--|---|
| | framework are set up, and once the National Adaptation Strategy is adopted, key measures specified in the Strategy might be added to the OP and implemented through this investment priority. |
|--|---|

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 5a1 - Establishment of the system for climate change monitoring, forecasting and planning of climate change adaptation measures | | | | | | |
|--------------------|--|---|-------------------------------------|----------------|---------------|---------------------|---|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 5a11 | Part of territory covered by regular monitoring and evaluation of climate change impacts | % | Less developed | 0.00 | 2013 | 100.00 | Meteorological and hydrological Service | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|---|
| Investment priority | 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches |
| <i>Main target groups and beneficiaries</i> | |
| Public institutions dealing with climate change (Ministry, Metrological service), local authorities, NGOs, research and academic institutions. | |
| <i>Examples of actions to be financed to achieve the specific objectives</i> | |
| <ul style="list-style-type: none">• Measures to improve quality and availability of data for the purpose of climate monitoring, data collection, modelling, analysis and forecasting climate related information, including warning system, which is a key prerequisite for adequate planning and implementation of adaptation measures. This includes applied research concerning the impacts of climate change and adaptation needs.• Strengthening the administrative and technical capacities of public institutions dealing with climate change (primarily trainings targeted at administrative officials in order to increase the expertise level)• Building awareness on national and local level of the impact of climate change thus allowing more efficient introduction of adaptation measures. This will include communication strategy, workshops and public events, preparation and distribution of educational materials, counselling of population, on-line information portals etc.• Integration of climate change into the planning process by preparation of climate change adaptation action plans at local levels, integration of adaptation measures into all strategic and development documents, development of plans to prevent climate change impacts in sectors vulnerable to climate change and development of methods and standards for implementation of adaptation measures. | |

2.A.6.2 Guiding principles for selection of operations

| | |
|---|---|
| Investment priority | 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches |
| <p>As indicated this SO will be implemented through phased approach. The selection of potential investments will follow the establishment of the monitoring and forecasting system and the planning and policy framework and preparation of the National adaptation strategy and the investments will be based on the priority set in a NAS.</p> <p>As for the first phase the operation will be selected primarily in accordance with the contribution of the operation to the specific objective. More specifically for the applied research the main criterion will be the contribution of proposed research for defining best possible adaptation measures in the most vulnerable sectors while in terms of monitoring the accent will be on the cost effectiveness (best value for money) in terms of application of technologies for the meteorological network and effectively integrating it into the current system.</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches | | | | | | | |
|---------------------|--|---|------|-------------------------------------|---------------------|---|--------|--|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 5a12 | Number of completely automatic surface weather stations (land and marine), and ground-based upper-air stations | Nr | ERDF | Less developed | | | 450.00 | Meteorological and Hydrological Service, MIS | Annually |

2.A.4 Investment priority

| | |
|---|---|
| ID of the investment priority | 5b |
| Title of the investment priority | Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 5b1 |
| Title of the specific objective | Increasing capacities and equipping for risk management on the national and regional level |
| Results that the Member States seek to achieve with Union support | In the last 17 years (period 1995-2012) there was in total 3 billion euro of reported damages caused by natural disasters (floods, droughts, fires, ice, storms and hails) with just 4.3% of that amount being re compensated (from the state budget). |

Highest damages are attributed to floods and droughts but it also needs to be stated that in average per annum (during the last 10 years) there have been 245 fires, with 9000 ha under fires. These figures illustrate only enormous direct financial losses caused by the disasters while there are still other indirect costs to consider (such as environmental ones). Therefore Croatia needs to minimise damages caused by the adverse weather conditions by further developing disaster management.

In that term a comprehensive assessment of risk including mapping and ranking of risks is being prepared (due by the end of 2015) after which follows a disaster risk reduction strategy. Therefore the Risk assessment presents a prerequisite step which will inter alia identify and determine the priority risks Croatia should tackle in the nearest future (after 2015), partially with the resources under this Specific objective.

However even at this moment it can be concluded that the current disaster management system needs to be developed and improved by strengthening administrative and technical capacities, and that Croatia should strive to lessen the gaps by continually reducing risks in all areas, raise awareness, educate, equip and prepare population and rescue teams and strive towards sustainable development.

Like stated the concrete risks related priorities and investments will follow the coherent risk and capacity gap analysis (Risk assessment) however in the meantime the certain “non-regret” investments mainly into non-structural (non-infrastructure) measures can be financed primarily related to the capacity building measures for disaster risk management (including equipping), development of specific risks related documentation (e.g. floods forecasting (modelling) system), education and awareness activities, and finally project preparation activities.

In terms of specific risks a flood protection should be mentioned since currently flood hazard maps and flood risk maps are being developed and they will identify priority measures for investments in terms of floods infrastructure (this will also include assessment of risks from sea level rise on the coastal areas, primarily low islands and river deltas, which are vulnerable to coastal flooding and salinization). The Flood Risk Management Plan will be finalised by the end of 2015 and will be taken into account while preparing Risk assessment.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 5b1 - Increasing capacities and equipping for risk management on the national and regional level | | | | | | |
|--------------------|--|--|-------------------------------------|----------------|---------------|---------------------|----------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 5b11 | Number of adequately educated personnel (of organisations responsible for the risk / disaster management) | Nr | Less developed | 0.00 | 2014 | 200.00 | NPRD | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|--|
| Investment priority | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems |
| <i>Main target groups and beneficiaries</i> | |
| State bodies and organisations responsible for the risk/ disaster management and data collection (National Protection and Rescue Directorate, Meteorological service, other responsible ministries and agencies etc.), Croatian waters and regional (Counties) and local authorities. | |
| <i>Examples of actions to be financed to achieve the specific objectives</i> | |
| The specific (infrastructure) priority investment and related activities will be identified by the end of 2015 within Risk assessment. The actions listed below are the ones that can be implemented even in the meantime since they are of horizontal nature: | |
| Prevention: | |
| <ul style="list-style-type: none">• Risk awareness raising programs, promotion and education thus creating resilient communities• Preparation of specific project in the sectors that deal with the most common disastrous events also recognised in current national strategic documents (Hazard assessment), in particular related to the flood protection as floods are one of the events that occur almost regularly. | |
| Preparedness: | |
| <ul style="list-style-type: none">• Measures for organisational and capacity development of all disaster protection and management organisations including development and establishment of an early warning system thus creating preconditions for adequate disasters prevention, response and management measures (i.e. prior to risk assessment completion, raising awareness of the importance to know the risks will be a priority) | |

| | |
|--|--|
| Investment priority | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems |
| <ul style="list-style-type: none"> • Improve planning and prioritization of investments in flood risk management by developing data and tools for accurate flood modelling and risk assessment, including impacts of flood prevention measures <p>Response:</p> <ul style="list-style-type: none"> • Purchase and construction of any disaster reduction/response equipment and infrastructure including, but not limited to the communication system used for providing rescue services and also mitigation to affected areas. | |

2.A.6.2 Guiding principles for selection of operations

| | |
|--|--|
| Investment priority | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems |
| <p>The selection of operations will be based on the risk assessment that will set the priorities on the national level in order to reduce the biggest and most threatening risks. The financing of operation will then be directed to the systematically reduction of those (i.e. biggest) risks. However in the meantime (before the finalisation of the risk assessment) the preparatory activities, inter alia specifically project preparation, will be carried out in accordance with the information provided in the existing national Hazard assessment. This possibility will concern soft measures such as raising awareness and capacity building, equipping, as well as preparation of “no-regret” projects in the areas that are starting to occur almost regularly (yearly) such as flood management. All specific activities, measures and protection infrastructure aiming to reduce major identified risks will be in line with targets and objectives of the Risk Assessment once it is adopted.”</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems |
|----------------------------|--|

| | |
|----------------------------|--|
| Investment priority | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems | | | | | | | |
|----------------------------|--|---|-------------|--|----------------------------|----------|----------|-----------------------|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO20 | Risk prevention and management: Population benefiting from flood protection measures | Persons | ERDF | Less developed | | | 5,000.00 | Croatian Waters, MIS | Bi-annually |
| 5b12 | Number of training / | Nr | ERDF | Less developed | | | 10.00 | NPRD | Annually |

| Investment priority | | 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems | | | | | | | |
|---------------------|--|--|------|-------------------------------------|---------------------|---|---|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | education activities (for the staff of organisations responsible for the risk / disaster management) | | | | | | | | |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 5 - Climate Change and Risk Management |
|---------------|--|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 5 - Climate Change and Risk Management | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|---|---|---------------------|---|----------|----------------------|---|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
| | | | | | | M | W | T | M | W | T | | |
| CO20 | O | Risk prevention and management: Population benefiting from flood protection measures | Persons | ERDF | Less developed | | | 0 | | | 5,000.00 | Croatian waters, MIS | The zero for the milestone in 2018 is due to the phased nature of this Specific objective. Namely the actual investments in the flood protection measures will start only after the fulfilment of the EAC i.e. in 2016; therefore it is |

| Priority axis | | 5 - Climate Change and Risk Management | | | | | | | | | | | |
|---------------|----------------|---|-------------------------------------|------|--------------------|--------------------|--|------------|---------------------|--|----------------|---------------------|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, |
| | | | | | | | | | | | | | questionable whether first measures (activities) will be finalised by 2018. |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 57.151.981 | | | 245,396,147.00 | Ministry of Finance | The milestone present N+3 rule for the PA excluding 6% PR (i.e. allocations for 2014 and 2015 net of 6%). |
| 5b12 | O | Number of training / education activities (for the staff of organisations responsible for the risk / disaster management) | Nr | ERDF | Less developed | | | 10 | | | 10.00 | NPRD | The milestone equals the final target because of the nature of the Specific objective. Namely the SO is organised in phase approach with the first phase up to the 2016 (by preparation of the Disaster Risk assessment) and focused on the capacity building measures. Following the DRA (so 2016) the SO and indicators will be updated accordingly. |
| 5.3 | I | Number of fully analysed flood management districts. | Nr | ERDF | Less developed | | | 12 | | | 34.00 | Croatian Waters | This KIS is added in order to represent an important preparatory activity envisaged under SO 5b1 i.e. preparation of "no regret" projects related to specific risks i.e. floods. This milestone is defined as the Nr. of flood management districts (out of the total of 34 as per OG 97/2010, 31/2013) with completed modelling-based flood risk quantification and feasibility studies for the optimal flood protection measures based on the river basin approach required by the Flood Directive. |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 5 - Climate Change and Risk Management | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 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 | 180,396,147.00 |
| ERDF | Less developed | 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 | 65,000,000.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 5 - Climate Change and Risk Management | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Non-repayable grant | 245,396,147.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 5 - Climate Change and Risk Management | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 07. Not applicable | 245,396,147.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | | 5 - Climate Change and Risk Management | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 07. Not applicable | 245,396,147.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| Priority axis | | 5 - Climate Change and Risk Management | |
|---------------|--------------------|--|----------|
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| | |
|---|--|
| Priority axis: | 5 - Climate Change and Risk Management |
| <p>This PA is specific because its implementation is envisaged in two phases: the first one, until the National adaptation Strategy and Disaster Risk Assessment are developed will be mainly technical assistance related i.e. covering preparatory activities as listed above (under Actions to be supported under this investment priority).</p> <p>Only afterwards potential (infrastructure) investments shall be financed in accordance with the priorities set in the National adaptation Strategy and</p> | |

Disaster Risk Assessment.

2.A.1 Priority axis

| | |
|-----------------------------------|--|
| ID of the priority axis | 6 |
| Title of the priority axis | Environmental Protection and Sustainability of Resources |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |
| CF | | Total | |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 6c |
| Title of the investment priority | Conserving, protecting, promoting and developing natural and cultural heritage |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 6c1 |
| Title of the specific objective | Enhancing protection and management of cultural heritage for development of tourism and other economic activities |
| Results that the Member States seek to achieve with Union support | <p>Cultural heritage, especially material, is mostly degraded, endangered and not in use. The goal of the RoC is to preserve, protect, revitalize and develop its cultural heritage, while at the same time stimulating and developing its sustainable usage. Cultural Heritage Strategy emphasizes the need for a more efficient and successful management and preservation as well as for sustainable usage of cultural heritage for the purpose of socioeconomic development. In the economic sense the heritage is planned to be primarily used for the development of cultural tourism and related activities in accordance with the Croatian Tourism Strategy 2020 which identifies cultural tourism as one of the key national tourism products contributing to the competitiveness of tourist destinations and emphasizing cultural tourism as an important source of growth. The Institute for Tourism’s research “Cultural tourism in Croatia” namely indicates, inter alia, the following: approximately 60% of all tourists expressed the interest for some sort of culture related tourism activities; 26% of the visitors specified cultural attractions as their main motive for visiting; cultural attractions / events had the largest share in the motivation for the return visits. In addition, culture related tourism can serve as an option for the extension of the tourist seasons.</p> <p>The concentration of the investment under this SO will be done by linking potential investments with the goals of the National Tourism Marketing Plan which defines 10 regional destination clusters each containing cultural attractions which shall contribute to integrated tourism development and shall be financed in order to enhance (inter alia cultural) offer of each destination with the scope of increasing tourism traffic in regions / destinations.</p> <p>An increase of the competitiveness of regional tourist destinations will be done by assessing tourism and overall economic & employment potential for each cultural heritage site individually (how to best increase attractiveness through creation of new contents and functions), by forming the customized tourist offer adjusted to the specific sites / local circumstances (local potential for economy and jobs creation), and by implementation of the efficient management for the identified cultural destinations. Moreover, by encouraging an integrated tourist destination cooperation among the public, private, civil sectors and academia, and their networking is to be encouraged in order to turn cultural resources into high-quality tourist attractions.</p> |

| | |
|--|---|
| | <p>Thus, it is expected that the greater and better targeted usage of cultural heritage will generate the following results:</p> <ul style="list-style-type: none"> • preserved, reconstructed, promoted, revitalized and well managed cultural heritage sites; • increase of tourist arrivals and overnights; increase of the number of visits to key cultural destinations and subsequent extension of the tourist season; • boosting of the growth and performance of local SMEs, with economic and employment spill-overs across local & regional economies. <p>The investments in public cultural heritage shall be financed complementary with TO3 providing support to the private SMEs in order to create and develop localised products and businesses to boost the tourism-related demand, and with TO 10 providing support via compulsory programmes in life-long education for various segments of the cultural tourism industry, thus securing an integrated approach to the cultural heritage investments.</p> |
| ID of the specific objective | 6c2 |
| Title of the specific objective | Increasing attractiveness and sustainable usage of natural heritage |
| Results that the Member States seek to achieve with Union support | <p>Due to Croatia's vast diversity of habitats, this SO is focused on enhancement of management of the natural heritage in particular 9 categories of nature protected areas covering 8.5% of the territory. By enhancement of management of the natural heritage the two main goals are envisaged; first one related to the adequate management that will ensure preservation / protection of natural assets and values of the area in question and secondly the usage of the natural heritage as catalysis for the local and regional development and employment, primarily tourism related. The fact that around 70% of all visitors to protected areas are attributed to just two PAs (NP Plitvice Lake and Krka) shows that the majority of natural heritage potential is unexploited mainly due to the lack financial resources and capacities to ensure adequate visitor (tourism) management. Therefore, both missing opportunities for development in the majority of the natural heritage areas which in the end also present a great obstacle to their sustainable management and preservation, and better visitor management in order to reduce pressure on the natural assets will be tackled by this SO. In terms of aim for the natural heritage to provide core potential for regional development it is important to note that majority of natural heritage is located in under-developed regions and in most of cases present a central point of development of surrounding local area.</p> |

Concerning the development potential the main link is established with the tourism sector by performing sustainable valorisation of natural resources especially those with globally high and unique value since 30% of the tourists include visit to one of the PAs during their stay and around 3% of international travel is motivated by ecotourism. Ecotourism, although still largely underdeveloped, is showing strong growth (10-20% per annum) and is supported by the growing awareness on ecology by the consumer. Natural heritage / attractions investments under this SO shall be linked with the goals of the National Tourism Marketing Plan which defines 10 regional destination clusters with their key characteristics and specificities, therefore contributing to the development of each regional destination cluster and enabling promotion of the clustering of local service providers and thus generating spill over effects for local and regional communities.

The results of the interventions under this SOs would be of two folds: a) serving the purpose of protection and sustainable management of the natural heritage and b) attracting visitors, extending tourist season and boosting of the growth and performance of local SMEs and promote employment, particularly important for the parks that either need diversification of activities in order to diminish burden from visitors overflow during high season or that have no adequate visitor infrastructure.

Public investments in natural heritage will be financed complementarity with the TO3 providing support to the private SMEs expected to create and develop localised products and business based on unique value of natural heritage and TO10 providing education and training to employees on key tourism and marketing concepts. Investments under this SO will be, where possible, connected with the activities under IP 6.4 in a way to communicate better the research and data on biodiversity valuables thus securing integrated approach to the natural heritage investments.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 6c1 - Enhancing protection and management of cultural heritage for development of tourism and other economic activities | | | | | | |
|--------------------|--|---|-------------------------------------|----------------|---------------|---------------------|---|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6c11 | Increase in number of newly employed in tourism sector | Nr | Less developed | 80,000.00 | 2012 | 100,000.00 | Croatian Bureau of Statistics | Annually |
| Specific objective | | 6c2 - Increasing attractiveness and sustainable usage of natural heritage | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6c21 | Increase in expected number of visits to supported protected areas | Nr | Less developed | 2,360,483.00 | 2014 | 2,596,531.00 | Public institutions for management of PAs | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|---|---|
| Investment priority | 6c - Conserving, protecting, promoting and developing natural and cultural heritage |
| Main target groups and beneficiaries | |
| <i>6c1</i> | |
| Governmental bodies and institutions, regional and local authorities, owners of cultural heritage, local population | |
| <i>6c2</i> | |
| Governmental bodies and institutions, Public institutions for management of protected areas/Natura 2000 areas on national and regional/local level, Local authorities, private sector, legal entities managing state forests and forest land, CSO (civil society organisation) | |
| <i>Examples of actions to be financed to achieve the specific objectives</i> | |
| <i>6c1</i> | |
| <ul style="list-style-type: none">• Renovation and reconstruction of cultural heritage sites (archaeological sites, industrial heritage, fortifications, castles, minor houses, palaces, ethnologic heritage) and construction of related infrastructure as well as improvement of services provided in the cultural heritage sites and | |

| | |
|---|---|
| Investment priority | 6c - Conserving, protecting, promoting and developing natural and cultural heritage |
| <p>creation of new services which will contribute to integrated tourism development and enhance 10 regional destination clusters.</p> <ul style="list-style-type: none"> • Improvement of cultural heritage management by developing management plans, conservation analyses and guidelines for identified culture heritage sites. • Rising of public awareness by education about cultural heritage, and its promotion in order to increase the visibility of the sites. Promotion and marketing of the cultural heritage sites for tourism purposes are also included. • Project preparation activities <p>6c2</p> <p><i>Examples of actions to be financed to achieve the specific objectives</i></p> <ul style="list-style-type: none"> • investment in nature education facilities and infrastructure for visitors (e.g. visitors / information and education centres, info points, bird watching points and other visitor infrastructure) • Content: development of innovative content and ideas based on unique natural attractions (such as multimedia presentations of on historical, scientific and cultural genesis of the PA, digital expositions, informative and educational tours in controlled environment) • Education and public awareness initiatives focused on Innovative presentation and promotion of the selected unique natural attraction and related knowledge and new innovative and up-to-date forms of interpretation of natural offer; • Project preparation activities | |

2.A.6.2 Guiding principles for selection of operations

| | |
|--|---|
| Investment priority | 6c - Conserving, protecting, promoting and developing natural and cultural heritage |
| <p>SO 6c1</p> <p>The MoC is currently preparing a call for proposals "Cultural heritage – project and management plan preparation". It is expected that the selected projects i.e. the ones that will be prepared within this call, will be applied for implementation under this Specific objective at the end. This is of course a subject to outcome of the project preparation process and the guiding principles listed below. All projects will be selected by applying the selection criteria approved by the Monitoring Committee.</p> <p>Investments which have renovation or maintenance of the heritage as its sole aim will not be financed. Only investments that can prove their positive contribution to the local economy and employment as well as sustainability will be considered for financing. Even more, the rate of the mentioned positive contribution (i.e. highest development potential in terms of creation of new services / jobs) will be the main criteria in selection of the investments.</p> <p>The supported investment must be in line with and contribute to the characteristics / specifics of the regional destination where it is located.</p> <p>Having in mind the potential impact of the cultural heritage investments on urban development, it is envisaged that the part of the activities under Specific objective 6.3.1. is to be implemented under ITI</p> <p>SO 6c2</p> <p>Only investments which are clearly related to the sustainable economic and social valorisation of nature protected sites will be financed. The priority will be given to the natural and nature parks since they present highest potential in terms of global uniqueness and valuable.</p> <p>Investments that can prove their positive contribution to the local economy and employment as well as environmental sustainability will be considered for financing with priority for financing given to those with highest positive contribution. Investments within nature protected areas will be developed in accordance with the Management plans for the respective PA. That will ensure not just that investments will contribute to the MP goals but also prevent potential excessive usage of resources. That includes compliance with maximum number of visitors at given time, adjusting the visiting system (including „quite days“), limiting to small scale infrastructure etc</p> | |

| | |
|--|---|
| Investment priority | 6c - Conserving, protecting, promoting and developing natural and cultural heritage |
| SO 6c1 & 6c2 | |
| <p>In terms of sustainability, the proposed investments will be assessed against the potential for attracting complementary private investments (financed either solely by private SMS or through financing under TO3) since that is the key requisite for exploring full benefits of the heritage sites / contents developed within this specific objective. The similar will also apply to the life-long / adult learning financed under TO10 (ESF funded OP) in terms of education for heritage tourism related activities.</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 6c - Conserving, protecting, promoting and developing natural and cultural heritage |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 6c - Conserving, protecting, promoting and developing natural and cultural heritage |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 6c - Conserving, protecting, promoting and developing natural and cultural heritage | | | | | | | |
|---------------------|--|---|------|-------------------------------------|---------------------|---|------------|---|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO09 | Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions | Visits/year | ERDF | Less developed | | | 310,000.00 | Ministry of Culture, Ministry of tourism, Ministry of environment | Annually |
| 6c13 | Number of supported integrated development programmes which will enhance 10 regional destination clusters | Nr | ERDF | Less developed | | | 10.00 | Ministry of Culture | Annually |
| 6c22 | Number of supported visitor infrastructure in national and nature parks contributing to better management of | Nr | ERDF | Less developed | | | 10.00 | Ministry of Environment | Annually |

| Investment priority | | 6c - Conserving, protecting, promoting and developing natural and cultural heritage | | | | | | | |
|---------------------|-----------|---|------|-------------------------------------|---------------------|---|---|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | heritage | | | | | | | | |

2.A.4 Investment priority

| | |
|---|---|
| ID of the investment priority | 6c |
| Title of the investment priority | Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 6c1 |
| Title of the specific objective | Upgrade of air quality management and monitoring system according to 2008/50/EC directive |
| Results that the Member States seek to achieve with Union support | <p>There is a need to put in place an adequate system for air pollution monitoring and management system in line with Directive 2008/50/EC. The measurement network and monitoring programme responds to the need to assure a prerequisite for further improvement of air quality in zones and agglomerations of Croatia. Measurement programme should be upgraded to take into account air quality and climate relevant parameters to enable synergies of air quality and climate policies as well as enhancing the monitoring programme with short lived climate pollutants (SLCF) and introduction of climate sensitive air pollution measures. Upgrade of air quality data system enables spatial representation of all air quality data, emission data and modelling results. Focus of this Specific objective is thus on upgrade and modernisation of air quality monitoring network in order to comply with requested minimum number of sites of fixed measurements according to Directive 2008/50/EC.</p> <p>With respect to measures for improvement of air quality in urban areas, preliminary data from the Environmental Pollution</p> |

| | |
|--|---|
| | <p>Register shows that there is a significant contribution to air pollution from small and medium combustion plants in urban areas. However, those preliminary data are not sufficient to ensure the input data on the actual contribution of each sector to air pollution and source apportionments. High resolution emissions inventory for zones and agglomerations in Croatia is envisaged to be developed which will, in terms of spatial and temporal resolution, ensure the input data on the actual contribution of each sector to air pollution and source apportionments. Such high resolution emissions inventory will be developed through the use of national funds, but also possibility will be investigated to ensure LIFE programme co-financing. Such data will enable to initiate air quality improvement measures such as substitution/modernization of small and medium combustion plants which use fuel oil and primarily in public buildings (schools, hospitals, kindergartens) which are shown to exceed ELVs.</p> <p>Upgraded air quality monitoring system will provide information on the exceedances of ambient air limit values which will provide a basis for local and regional authorities to develop detailed local emission inventories, Air Quality Plans and Short-term Action Plans for zones and agglomerations where exceedances occur. There is need to strengthen the capacities and support local and regional authorities to develop detailed local emission inventories for all agglomerations and zones in Croatia where there is non-compliance with ambient air limit values, and contributing Air Quality Plans and Short-term Action Plans. These activities are envisaged to be financed under LIFE programme integrated projects. The high resolution local air quality maps that are envisaged to be generated will help the governmental administrations to better understand the origins of air pollution, which in turn assists them in devising best solutions to mitigate the problem. Air quality plans, action plans and pollution control programmes will define most efficient and cost-effective measures for improvement of air quality and emission reductions of pollutants. Possibility will be investigated to ensure LIFE programme co-financing for those activities.</p> |
| ID of the specific objective | 6e2 |
| Title of the specific objective | Rehabilitation of brownfields (ex-industrial and / or ex-military sites) within ITI |
| Results that the Member States seek to achieve with Union support | <p>Urban areas in Croatia have a relatively long development path which as one of the consequences results in a significant number of abandoned or out of use areas and infrastructure in general. Mainly they are old industrial zones and deprived military complex which are in most cases located in the urban centres. According to the data received from the cities there is 175 ha (classified as) of <i>brownfield in city of Zagreb</i>, 140 ha in Split, 50 ha in Rijeka and 8 ha in Osijek with around 10 priority locations (brownfiled sites). At the moment those areas usually present malfunctioning part of the city; however the regeneration of such areas would be of a significant benefit either if they are used for community oriented services or if they</p> |

| | |
|--|---|
| | are used for brownfield economic investments. This type of activity is planned to be implemented within ITI and as such would secure best possible integration of the usage of brownfields (i.e. existing infrastructure and assets) with project from other thematic objectives that will provide for service and content within the renovated brownfield sites. |
|--|---|

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 6e1 - Upgrade of air quality management and monitoring system according to 2008/50/EC directive | | | | | | |
|--------------------|---|---|-------------------------------------|----------------|---------------|---------------------|---|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6e11 | Share of population covered by air quality information in urban areas | % | Less developed | 50.00 | 2014 | 100.00 | Ministry of Environment, Meteorological and hydrological service | Annually |
| Specific objective | | 6e2 - Rehabilitation of brownfields (ex-industrial and / or ex-military sites) within ITI | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6e21 | Surface of brownfields renovated in urban areas | m2 | Less developed | 0.00 | 2014 | 50,000.00 | Report on the situation in space; Information system on spatial planning (ISPU) | Bi-annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|--|
| Investment priority | 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures |
| <i>Main target groups and beneficiaries</i> | |
| 6e1 Cities, local authorities, public services, associations of cities / municipalities, NGOs | |
| 6e2 Regional and local authorities (cities), public services, associations of cities / municipalities, NGOs | |
| <i>Examples of actions to be financed to achieve the specific objectives</i> | |
| 6e1 | |
| <ul style="list-style-type: none">• Measures to improve air quality in cities with over 10 000 inhabitants where non-compliance with ambient air limit values occurs including elimination of air quality non-compliance, and set up of adequate monitoring and reporting system.• Upgrade and modernisation of air quality monitoring network in order to comply with requested minimum number of sites of fixed measurements according to AQ Directive 2008/50/EC and replacement and purchase of instruments for monitoring of physical and chemical properties of air, particulate matter and precipitation, according to the required monitoring programme. Upgrade of monitoring equipment for source apportionment analysis and assessment. Measurement programme should be upgraded to take into account air quality and climate relevant parameters to enable synergies of air quality and climate policies as well as enhancing the monitoring programme with short lived climate pollutants (SLCF) and introduction of climate sensitive air pollution measures. | |

| | |
|---|--|
| Investment priority | 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures |
| <ul style="list-style-type: none"> • Upgrade and acquisition of new chemical laboratory instruments for determination of chemical composition of particulate matter and precipitation for fulfilment of all obligations regarding AQ legislation and health effect studies. These include EC/OC, VOCs, PAHs, trace elements, mercury in air etc. Upgrade of calibration laboratory for calibration and traceability assurance aiming to improve data quality and compatibility according to European standards and directive. • Development of air quality management system: upgrade and development of capacities, computer resources and infrastructure for air quality modelling to be able to assess air quality in zones and agglomerations. Upgrade of air quality data management and information system comprising of development and execution of architectures, policies, practices and procedures required to manage the information lifecycle needs in an effective manner. Implementation of geospatial information system for spatial representation of all air quality data, emission data and modelling results. • Strengthening capacities of all national and regional authorities responsible for implementing EU legislation related to air quality • Project preparation activities. <p>6e2</p> <ul style="list-style-type: none"> • Revitalisation of individual parts of cities - industrial sites and former military facilities etc. that will allow for usage of the existing (physical) resources within urban areas without creating additional space and environmental burden • Urban planning related to the individual part of the cities subject to the revitalisation including development of cities physical plans and detailed physical plans for specific brownfield locations that are precondition for adequate considerations and subsequent planning and implementation of coherent and complementary measures in urban areas • Project preparation activities | |

2.A.6.2 Guiding principles for selection of operations

| | |
|---|--|
| Investment priority | 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures |
| The Specific Objective 6e2 will be implemented under Integrated territorial Investments | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|-----------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO38 | Urban Development: Open space created or rehabilitated in urban areas | Square metres | ERDF | Less developed | | | 50,000.00 | MIS | Annually |
| 6e12 | New and upgraded air monitoring stations | Nr | ERDF | Less developed | | | 28.00 | MIS | Annually |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 6i |
| Title of the investment priority | Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|-------------------------------------|-----|
| ID of the specific objective | 6i1 |
|-------------------------------------|-----|

| | |
|--|--|
| Title of the specific objective | Decreased generation and increased recycling, reuse and recovery of waste |
| Results that the Member States seek to achieve with Union support | <p>Activities under this Specific objective will be aimed at setting up a system of separate collection in order to increase the rate of reuse and recycling with investments in separate collection equipment, recycling yards, recycling and re-use plants and similar facilities. Local municipalities in Croatia are obliged under the Act on Sustainable Waste Management to establish a system of separate collection. Financing from the CF and national sources will be combined in order to establish a system of separate collection in every local municipality in Croatia, which will, combined with waste generation reduction measures, result in increasing the quantity of municipal waste sent for recycling, reuse or recovery.</p> <p>Therefore, this investment priority will contribute to the change of the current waste management system in accordance with the waste hierarchy set by the Act on Sustainable Waste Management and Strategy, i.e. 1. stimulating and increasing prevention, 2. reuse, 3. recycling and other recovery and 4. just finally disposal (landfilling). Reducing the amount of generated waste is foreseen mainly through various projects related to public awareness raising, management of packaging waste, eco-design, eco-friendly products, etc. System of separate collection will be set up in order to increase the rate of reuse and recycling with investments in recycling yards, plants and similar facilities.</p> <p>Further measures are planned to increase the recycling capacity in order to accommodate the increased quantity of waste sent for recovery or reuse. Combined effect of these results will contribute to the achievement of the main target, which is reaching the target of 50% recycling rate of household and similar waste (paper, glass, metal, plastic).</p> |
| ID of the specific objective | 6i2 |
| Title of the specific objective | Establishment of an integrated waste management system in order to decrease the amount of waste being landfilled and waste related risk |
| Results that the Member States seek to achieve with Union support | In line with these goals is also a need to ensure compliance with the provision of the relevant EU Directives (primarily Directive on Landfill of waste). More precisely, within the Accession treaty Croatia has taken the commitment, on the one hand to secure gradual reduction of biodegradable waste being landfilled as compared to 1997 (to 50% by the end of 2016 and to 35% by the end of 2020) and on the other hand to ensure compliance of all existing landfills with the EU directives by the |

end of 2018 with in parallel gradual reduction of waste landfilled in existing non-compliant landfills in the 2013-2018 period.

Even after useful raw materials are separately collected, the issue of mixed municipal waste will remain. Mixed municipal waste needs to be treated, prepared for recovery if possible and the rest of it disposed in an appropriate way. To ensure this, it is necessary to construct waste management centres (WMCs) with appropriated waste treatment facility. WMC is defined as a set of functionally and technologically connected buildings and waste treatment facilities. Basic task of WMC is to accept the remaining mixed waste, extract from it useful raw materials, for recycling and/or energy recovery, and treatment of waste to minimize the amount of waste to be disposed permanently.

All municipal waste, which wasn't recycled or reused, will be treated before final disposal and for that purpose adequate infrastructure for integrated waste management system consisting of county/regional waste management centres will be further developed with corresponding remediation, rehabilitation and closure of existing non-compliant waste management facilities (landfills). It is foreseen to construct up to 13 WMC in Croatia (including waste to energy plant in City of Zagreb)

Entire waste management system will be improved through the monitoring of waste, as well as planning and management of solid waste.

Special waste streams and hazardous waste will be managed in an appropriate way and in accordance with the acquis (e.g. medical waste, tyres, construction waste, etc.). Central monitoring waste system will be set up which will provide exact and reliable information on all waste streams. The objectives and investments under this Investment priority present continuation of the activities under the Operational programme Environment 2007-2013 and as such present one of two top priorities (besides water management) within the Priority axis 6 of this Operational programme.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 6i1 - Decreased generation and increased recycling, reuse and recovery of waste | | | | | | |
|--------------------|--|---|-------------------------------------|----------------|---------------|---------------------|-----------------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6ca11 | Share of municipal waste sent to recovery or reuse | % | | 15.00 | 2012 | 65.00 | Croatian Environment Agency | Annually |
| Specific objective | | 6i2 - Establishment of an integrated waste management system in order to decrease the amount of waste being landfilled and waste related risk | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6ca24 | Share of municipal waste deposited onto or into land | % | | 92.00 | 2011 | 35.00 | Eurostat | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|---|
| Investment priority | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| <i>Main target groups and beneficiaries</i> | |
| State bodies and organisations responsible for the waste management planning and monitoring; local authorities, municipal waste companies, enterprises, NGOs | |
| <i>Examples of actions to be financed to achieve the specific objectives</i> | |
| <i>6i1</i> | |
| <ul style="list-style-type: none">• Actions to introduce and improve separate collection, recovery, recycling and re-use of waste thus allowing for more efficient management of resources and decreasing environmental damages (including emissions).• Investments in recycling and recovery facilities, centres and yards in order to provide an efficient and affordable reuse, recycling and recovery system (this includes all waste streams such as medical waste, batteries, construction and demolition waste etc.)• Extensive public awareness activities in order to reduce waste generation, increase separate collection and re-use• Project preparation activities | |
| <i>6i2</i> | |

| | |
|---|---|
| Investment priority | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| <ul style="list-style-type: none"> • Construction of new waste management infrastructure including waste management centres on county/regional level (waste treatment facilities, transfer stations, etc.) (13 WMCs envisaged) • Construction of incineration facilities (waste to energy treatment facilities) • Supply of special equipment (compactors, special waste collection vehicles, bulldozer, and other equipment in function of WMC) • Conditioning and remediation /closure/ rehabilitation of existing municipal waste landfills, unregulated dumps and “hot spots” which will contribute to diminishing the detrimental environmental effects of inadequate waste management practices • Project preparation activities | |

2.A.6.2 Guiding principles for selection of operations

| | |
|--|---|
| Investment priority | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| <p>In particular, the selection of operations will be based on appropriate and objective assessment of project proposals, after transparent invitations. Main criterion will be the</p> <ul style="list-style-type: none"> • Contribution of the operation to the specific objective set out for the respective investment priority <p>Other criteria to be considered:</p> <ul style="list-style-type: none"> • Maturity, minimizing the risk regarding appropriate implementation and substantial results • Integration of existing structures or infrastructures, by inclusion of projects constituting a phase of a wider intervention under the previous | |

| | |
|--|---|
| Investment priority | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| <p>programming period (phasing)</p> <ul style="list-style-type: none"> • Compliance with European and national legislation (sectorial or horizontal policies etc.) • Urgency to provide an appropriate waste management facilities due to environmental risk prevention and fulfilment of legal requirements • Cost-effectiveness (best value for money) • Quality of results and sustainability, particularly considering future reduced generation of waste • Investments in recycling facilities only where there is market failure i.e. recycling of materials not suitable for commercial exploitation | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Not envisaged | |

2.A.6.4 *Planned use of major projects* (where appropriate)

| | |
|---|---|
| Investment priority | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| <p>Major projects are envisaged under this Investment Priority pertaining to the construction of waste management centres (WMCs), remediation of the locations highly polluted by waste (“hot spot”) and remediation of the municipal waste landfills.</p> <p>The construction of waste treatment plants within the WMCs will ensure reduction of biodegradable waste being landfilled, reduce share of municipal</p> | |

| | |
|---|---|
| Investment priority | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| waste deposited onto or into land, additional waste separation, which will also contribute to the specific objective related to the quantity of municipal waste sent to recycling, reuse or recovery. | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements | | | | | | | |
|----------------------------|--|--|-------------|--|----------------------------|----------|----------|-----------------------|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO22 | Land rehabilitation: Total surface area of rehabilitated land | Hectares | CF | | | | 350.00 | MIS | Annually |
| 6ca25 | Established and fully operational new waste management centres | Nr | CF | | | | 10.00 | MIS | Annually |
| 6ca12 | Closed and remediated landfills | Nr | CF | | | | 60.00 | MIS | Annually |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 6ii |
| Title of the investment priority | Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|---|
| ID of the specific objective | 6ii1 |
| Title of the specific objective | Improvement of the public water supply system with the purpose of assuring quality and safety of water supply for drinking water |
| Results that the Member States seek to achieve with Union support | <p>This SO will support achievement and maintenance of sustainable management of water resources through investments in water supply systems including regional ones, increase in network connection, reduction of losses and increase of the reliability and efficiency of the water supply system. More specifically, this SO will contribute to the achievement of:</p> <ul style="list-style-type: none"> • Provision of sufficient quantities of good quality of drinking water and increase of the connection rate of population to the public drinking water supply system, and • Increase in efficiency of water supply by reduction of losses from water supply system <p>Additionally, it will aim to increase the efficiency of public water services providers in order to achieve and maintain sustainability in financial and technical-technological aspect as well as organizational in terms of human resources with the objective to establish unique operator on service area which will provide services of water supply, sewerage collection and treatment of waste water. In that manner, this particular measure is of horizontal nature (integrating objectives under SO6.2.1 and SO6.2.2). Establishment of integrated and coordinated water regime on the territory of Croatia, following its strategic goals and international commitments, can bring a greater efficacy in water implementation.</p> <p>Integrated water management system will encourage the single investments/ operations which will be of an integral nature i.e. a single project will encompass all the activities/measures necessary for compliance with the both Directives (UWWTD and DWD) within respective agglomerations.</p> |

| | |
|--|---|
| ID of the specific objective | 6ii2 |
| Title of the specific objective | Development of sewerage system and collection of waste water treatment with the aim to contribute to improvement of water status |
| Results that the Member States seek to achieve with Union support | <p>This SO will support preservation of water quality and prevent degradation of water primarily for the purpose of preserving human health and the environment and achieving the good status of water in order to make it sustainable for planed uses through investments in waste water collection and treatment facilities. More specifically, this SO will contribute to the achievement of:</p> <ul style="list-style-type: none"> • Increasing the population’s connection rate to the public sewerage systems and • Increasing in the amount of waste water treated at appropriate level of treatment after being collected. <p>Additionally, it will aim to increase the efficiency of public water services providers in order to achieve and maintain sustainability in financial and technical-technological aspect as well as organizational in terms of human resources with the objective to establish unique operator on service area which will provide services of water supply, sewerage collection and treatment of waste water. In that manner, this particular measure is of horizontal nature (integrating objectives under SO6.2.1 and SO6.2.2). Establishment of integrated and coordinated water regime on the territory of Croatia, following its strategic goals and international commitments, can bring a greater efficacy in water implementation.</p> <p>Integrated water management system will encourage the single investments/ operations which will be of an integral nature i.e. a single project will encompass all the activities/measures necessary for compliance with the both Directives (UWWTD and DWD) within respective agglomerations.</p> |

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 6ii1 - Improvement of the public water supply system with the purpose of assuring quality and safety of water supply for drinking water | | | | | | |
|--------------------|---|---|-------------------------------------|----------------|---------------|---------------------|--|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6cb11 | Decrease in number of inhabitants/population without possibility to access public water supply systems or not covered by water monitoring system or connected to the systems which do not meet microbiological and/or chemical parameters | nr | | 350,000.00 | 2014 | 270,000.00 | Croatian Waters, Ministry of Agriculture (AIR, Project Implementation Reports) | Annually |
| Specific objective | | 6ii2 - Development of sewerage system and collection of waste water treatment with the aim to contribute to improvement of water status | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6cb23 | Agglomerations which have achieved compliance with the UWWTD | Nr | | 0.00 | 2014 | 40.00 | MIS | Annually |
| 6cb24 | Water bodies with good and very good status according to organic load indicators (BOD5) | Nr | | 1,116.00 | 2014 | 1,128.00 | Croatia Waters, Ministry of Agriculture (Annual Monitoring report) | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|--|
| Investment priority | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| <i>Main target groups and beneficiaries</i> | |
| 6ii1 | |
| State bodies and organisations responsible for the water management, local authorities, public water service providers, Hrvatske vode | |
| 6ii2 | |
| State bodies and organisations responsible for the water management and monitoring, local authorities, public water service providers, Hrvatske vode | |
| <i>Actions to be financed to achieve the specific objectives</i> | |
| 6ii1 | |
| <ul style="list-style-type: none">• measures to ensure provision of drinking water of good quality and to increase connection rate of population to the public drinking water supply by construction/reconstruction/upgrading of drinking water supply networks as well as water treatment (conditioning) plants (including supply of metering and laboratory equipment for public water supply systems) and desalination plants for assuring drinking water to the population of the remote islands and remote inland settlements as a possibility if no other measures are able to be rationally justified and applied.• Increase efficiency of the public water supply system, reduction of water losses and investments in detection and elimination of leakage | |

| | |
|----------------------------|--|
| Investment priority | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
|----------------------------|--|

6ii2

- measures to increase the population's connection rate to the public sewerage systems via construction/reconstruction/upgrading public sewerage system (including supply of equipment for cleaning of network and detection and elimination of leakage, septic tank cleaning vehicles, etc);
- Construction/reconstruction/upgrading of waste water treatment plants, small facilities for water treatment and septic tanks (as small individual facilities as part of the public system) and sludge treatment facilities (including supply of laboratory equipment, etc) thus reducing the environmental damages by preventing discharge of the polluted waters;
- construction/reconstruction of automatic monitoring stations for water quality and hydrological data, development of water data analysis and modelling tools, and supply of necessary equipment and facilities
- implementation of appropriate protective measures at zones of water source sanitary protection

Several horizontal activities are identified in order to support and to contribute to achievement of SOs 6e1 and 6e2:

- improving the overall water management system including organisational support, increasing efficiency of the communal companies etc by capacity building measures aimed to support reorganization of water communal sector, to support alignment with Directives requirements, to support management of infrastructure after project completion, etc.
- project preparation activities.

2.A.6.2 Guiding principles for selection of operations

| | |
|----------------------------|--|
| Investment priority | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
|----------------------------|--|

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|---|--|
| Investment priority | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| <p>The selection of quality operations will be based on appropriate and objective assessment of project proposals, after transparent invitations.</p> <p>Main criterion for the project selection will relate to the contribution and compliance of the operation to the sectoral strategic and programming documents. This means that priority projects will be selected in accordance with transitional periods set by Accession treaty to achieve compliance with UWWTD and DWD)</p> <p>In addition the following criteria will apply:</p> <ul style="list-style-type: none"> • maturity of project • integration of existing structures or infrastructures, by inclusion of projects constituting a phase of a wider intervention under the previous programming period (phasing) • economic and financial data (best value for money approach) etc. • capacity of beneficiary to manage the infrastructure after the project completion. <p>Each criterion is scored and score valorised during selection of projects. Selection criteria are applied on projects under SO 6ii1 and SO 6ii2 since most of the projects are of integral nature (they cover both water supply and sewerage with wastewater treatment).</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
|----------------------------|--|

| | |
|----------------------------|--|
| Investment priority | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|--|--|
| Investment priority | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Through this IP several major projects are planned to be implemented in period 2014-2020. According to current state of play those projects are referred to development/construction/reconstruction of regional water supply systems (Eastern Slavonija, Zagreb East) as well as projects in large agglomerations (Velika Gorica, Nin-Privlaka-Vrsi-Vir, Zabok – Zlatar, Rijeka, Split – Solin, Kaštela – Trogir, Zagreb). | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements | | | | | | | |
|---------------------|--|--|------|-------------------------------------|---------------------|---|-----------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO18 | Water supply: Additional population served | Persons | CF | | | | 80,000.00 | MIS | Annually |

| Investment priority | | 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|--------------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | by improved water supply | | | | | | | | |
| CO19 | Wastewater treatment: Additional population served by improved wastewater treatment | Population equivalent | CF | | | | 1,000,000.00 | MIS | Annually |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 6iii |
| Title of the investment priority | Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |

2.A.5 Specific objectives corresponding to the investment priority and expected results

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|--|---|
| ID of the specific objective | 6iii1 |
| Title of the specific objective | Improved knowledge on the state of biodiversity as a basis for effective management of biodiversity |
| Results that the Member States seek to achieve with Union support | <p>Protected and restored biodiversity with its diverse ecosystems provides goods and services that have essential contribution to human well-being, quality of life and economic prosperity and as such contribute to EU's sustainable growth objectives improving the transition towards a resource efficient and green economy. In order to secure effective management of the existing biodiversity – our natural capital - several preconditions have to be secured.</p> <p>Biodiversity data on the distribution of Natura 2000 species and habitats for marine waters under national jurisdiction are very</p> |

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| | <p>scarce. There is no detailed marine habitat map, as a prerequisite for setting up and implementation of adequate conservation measures, important for the fulfilment of obligations regarding Habitats and Birds Directives, as well as Marine Strategy Framework Directive. Therefore, in the accession process, Republic of Croatia expressed the intention to develop a proposal of marine Natura 2000 sites based on scientific data, and commitment to undertake additional research i.e. mapping of marine habitats and species.</p> <p>To insure monitoring and reporting on the conservation status of species and habitats, Croatia needs to establish a system of monitoring of conservation status for 75 habitats and 580 species, which according to the Habitats and Birds Directives have to be monitored (and reported on) on the entire Croatian territory with additional site monitoring in Natura 2000 sites. Within this priority action it is planned to significantly enlarge the number of species and habitats for which monitoring activities are in place.</p> <p>In order to maintain proper functioning of the ecosystem, and the flow of its services it is necessary to continuously promote and improve understanding of the overall value of ecosystem services. Mapping and assessment of the state of ecosystems and their services in Croatia will be done as a necessary prerequisite for defining priorities for restoration of habitats and Green Infrastructure in the following period.</p> |
| ID of the specific objective | 6iii2 |
| Title of the specific objective | Improved framework for sustainable management of biodiversity (primarily Natura 2000) |
| Results that the Member States seek to achieve with Union support | <p>Adequate management of Natura2000 sites is crucial for maintenance of good status of species and habitat types of Community interest, thus assuring protection and restoration of biodiversity. So far, management planning was done mostly for protected areas in 9 national categories, as well as for single protected species such as large carnivores. For management of national ecological network established in 2007 (conceptually as a counterpart of Natura 2000), it was prescribed to develop single site management plans and management responsibility was given to regional authorities responsible for nationally designated protected areas. This concept proved to be inadequate and hard to implement, mostly due to poor human capacities and limited financial resources. Therefore, applicable and comprehensive management mechanism needs to be developed and implemented, primarily referring to sectors that have an impact on species and habitats and at the same time have better capacities for implementation of management activities and monitoring on the ground. It is envisaged that through CF at least 40% of the surface under Natura 2000 network will have an established management mechanism that will adequately address</p> |

| | |
|--|--|
| | <p>conservation of species / habitat types (e.g. either through integration of specific conservation measures into management plans of existing protected areas or through adjustments of sectoral management plans or other solutions determined within the scope of these investments). Approximately 25% of Natura 2000 network related to agricultural land will be covered by the EAFRD.</p> <p>The other priority pillar is related to strict protection of species which needs to be improved in this period through several actions. Firstly, although certain amount of planning has already been done, there is still a lack of comprehensive management planning for all relevant species. Furthermore, existing plans are only partially implemented, which in the long-run does not support effective conservation of these species. These issues will be tackled through preparation of new plans for endangered species and implementation of both new and existing plans. Secondly, the establishment of a system for monitoring the incidental capture and killing of species will be supported, which includes ensuring appropriate and timely action of relevant institutions in case of dead, sick or injured specimens, as well as proper housing and care of found or confiscated live specimens in cases of illegal transboundary movement or trade.</p> <p>Also in order to secure sustainable management of biodiversity, there is a need to prevent and even reverse biodiversity loss including diminishing negative impacts, especially the ones related to invasive alien species, through mapping and identifying IAS and their pathways and setting up a national monitoring and managing system for IAS in order to prevent, minimise and mitigate their adverse effects including their economic and social impact, in line with the newly adopted Regulation 2013/0307 (COD); and anthropogenic noise pollution in marine environment, through establishment of monitoring schemes for underwater noise in Croatian marine waters, including the biological impacts of anthropogenic underwater noise and evaluation of new information on the effects of sound on marine biota with a view to considering indicators of noise effects in order to minimize and mitigate the significant adverse impacts on marine and coastal biodiversity.</p> |
| ID of the specific objective | 6iii3 |
| Title of the specific objective | Restoration and protection of forests and forest land in protected and Natura 2000 areas, including mine clearance, forest fire protection and preservation of water resources, maintaining and enhancing ecosystem services |
| Results that the Member States seek to achieve with Union | As of May 2014, mine suspected territory in Natura 2000 network is estimated at some 313.5 km ² , of which some 284,1 km ² |

| | |
|-----------------------|---|
| <p>support</p> | <p>are managed by state enterprise Hrvatske šume managing state forests. In particular, within the territory of National Park Paklenica, Nature Park Lonjsko Polje, Velebit and Kopacki Rit, Regional Park Mura Drava etc., mine suspected areas and mine contaminated areas are still a painful reality that blocks their long term development. Measure related to Mine Action are harmonised with the EU Strategy for the Danube Region and the accompanying Action Plan, Pillar 4 “Strengthening the Danube Region”. Works of care and restoration in sustainably managed forest ecosystems maintain the optimum habitat and the best structural conditions, permanently ensuring their economic, social and ecological assets. Sustainably managed forests have more biodiversity, structural stability, growth and vitality than forest managed in a not sustainable way or not managed at all, which due to a lack of care and restoration lose the optimal natural and economic structure and go in the direction of degradation. Forests in Croatia are managed in accordance with Forest Management Plans (FMP) and mostly regenerate naturally under the strict principle of sustainable management, with exception of those where proper management is not possible because of the long term mine contamination. Regardless the FMPs - based on the Ministerial Conference on the Protection of Forests in Europe (MCPFE) principles and the FSC certificate - have been delivered, their implementation is not possible in minefields. The forests contaminated with mines and other UXO have lost, as a consequence the desirable productivity, stability, biodiversity, as well as conditions for a structurally and economically sustainable development, losing their capacity to deliver provisioning, regulating, habitat and culture ecosystem services and their multiple benefits. Additionally, in wetland and floodplain forests within Natura 2000, mine contamination does not allow adequate management, nor measures or establishment of monitoring system of the aquatic ecosystems and water resources. Croatia as a new EU Member State has the obligation related to the designation and adequate management of Natura 2000 sites (as stated in the “Strategy and Action Plan for the Protection of Biological and Landscape diversity of Croatia” - NBSAP, 2008). Natura 2000 areas cover 36,67% of the total land surface of Croatia, out of which 44,2% represent forest and forest land, data that clearly show the importance of the sustainable forest management for the nature protection in the country. Leftover minefields are also an obstacle for the management of Natura 2000 mine contaminated areas. Additionally, there is a clear correlation between sustainable forest management and fire risks. Some of the reasons for large burnt areas is the inaccessibility of forests due to mine contamination and the underdeveloped and neglected fire-fighting infrastructure in mine contaminated forest areas, causing high direct damages and several times higher indirect damage (forest ecosystem services).</p> |
|-----------------------|---|

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 6iii1 - Improved knowledge on the state of biodiversity as a basis for effective management of biodiversity | | | | | | |
|--------------------|---|--|-------------------------------------|----------------|---------------|---------------------|--|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6cc11 | Number of species and habitats with monitoring programs established | Nr | | 78.00 | 2014 | 310.00 | State Institute for Nature Protection (SINP) Annual Work Reports | Annually |
| Specific objective | | 6iii2 - Improved framework for sustainable management of biodiversity (primarily Natura 2000) | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6cc21 | Number of mapped invasive alien species | Nr | | 60.00 | 2014 | 300.00 | State Institute for Nature Protection Annual Work Reports | Bi-annually |
| Specific objective | | 6iii3 - Restoration and protection of forests and forest land in protected and Natura 2000 areas, including mine clearance, forest fire protection and preservation of water resources, maintaining and enhancing ecosystem services | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 6cc31 | Total surface area of demined forest and forest land in Natura 2000 areas | Ha | | 18,600.00 | 2014 | 25,600.00 | Hrvatske šume/CROMA C | Annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|---|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
| <i>Main target groups and beneficiaries</i> | |
| Governmental bodies and institutions (State Institute for Nature Protection), Public institutions for management of protected areas/Natura 2000 areas on national and regional/local level, Local authorities, private sector, legal entities managing state forests and forest land (Hrvatske šume) , state/public mine action bodies, legal entities providing care for animals , CSO (civil society organisation). | |
| <i>Examples of actions to be financed to achieve the specific objectives</i> | |
| SO 6iii1 | |
| Identification and mapping of marine habitats and species in line with Habitats Directive (HD) and Marine Strategy Framework Directive (MSFD) | |
| Development of monitoring and reporting system | |
| Develop monitoring programmes for habitat types and species from Annexes II, IV and V of the Habitats Directive and Annexes of Bird Directive and habitat types from Annex I of the Habitats Directive, including definition of monitoring methods and standards | |
| Build monitoring and reporting capacities and resources, including acquiring of monitoring equipment | |

| | |
|--|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
| <p>Test monitoring programmes (field work)</p> <p>Develop a basis for ecosystem services conservation</p> <p>Assessment on the overview and available national, EU and global scale datasets and information that are relevant for baseline mapping and assessment of the status and trends of major ecosystems categories and of defined ecosystem services in Croatia.</p> <p>Define priorities for future restoration programmes.</p> <p>Evaluation of management practices and key drivers causing changes in the major ecosystems and their services.</p> <p>The economic value of key services prioritised from the list of ecosystem services will be assessed as important parameters for strategic planning and decision making.</p> <p>SO 6iii2</p> <p>Conservation and adequate management of the Natura 2000</p> <p>Set up management framework for Natura 2000 areas, including development of adequate management model and application (f.e. through sectoral plans or specific site plans)</p> <p>Conduct capacity building activities and acquire necessary equipment for ensuring adequate management of protected areas including Natura 2000</p> <p>Delineate in detail data on borders of protected areas (on the Cadastre maps) through development of surveyor's technical documentation ready for registration in the official registers (cadastre and land registry)</p> | |

| | |
|--|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
| Conduct communication, education and public awareness activities for promotion of the overall biodiversity especially Natura 2000 | |
| Supporting species conservation | |
| Develop and implement population recovery and repopulation programs for highly endangered species, including restoration of their habitats, education of relevant stakeholders and public information | |
| Extend the system for monitoring of accidental capture and killing of strictly protected wild animals, through development and implementation of protocols of conducts for new (not yet covered) groups of species and public awareness raising | |
| Develop and start implementing action plans for endangered species, including conducting education and training of all relevant stakeholders and public awareness raising | |
| Improve existing or establish new rescue centre infrastructure | |
| Ensure adequate equipment, accommodation and quarantine facilities for rescue centres | |
| Conduct training and improve specific skills for handling and healing injured animal and further building of capacities and resources | |
| Diminishing negative impacts on biodiversity | |
| Identify distribution of IAS and make identification and analysis of pathways and prioritisation. | |
| Improve information system for existing and new information on IAS in Croatia in order to allow access to information on presence of species, their spread, their ecology, invasion history, distribution, best practice and all other information necessary to underpin policy and management decisions including the risk analysis and assessment protocols and tools. During that protocols and tools the risk analysis and assessment will be harmonized with relevant European and international standards. | |
| Design and implement monitoring programs for IAS. The system should be established or included in our existing/future surveillance and monitoring | |

| | |
|--|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
| <p>system (e.g. Directive 92/43/EEC) whenever is possible in order to determine the presence and distribution of new as well as already established IAS and it should cover the entire territory of Croatia, including marine territorial waters.</p> | |
| <p>Additional research to support the further development of criteria related to underwater noise, and other forms of energy input that have potential to impact on components of marine ecosystems, including in relation to impacts of introduction of energy on marine life, relevant noise and frequency levels.</p> | |
| <p>Mapping of most commercial activities entailing high-level noise levels affecting relatively broad areas.</p> | |
| <p>Monitoring of distribution in time and place of loud, low and mid frequency impulsive sounds and monitoring of continuous low frequency sound</p> | |
| <p>SO 6iii3</p> | |
| <p>Restore forest and forest land primarily in Natura 2000 areas (including demining activities)</p> | |
| <p>Regeneration of forests and forest land (including wetland and floodplain forests) primarily in protected and Natura 2000 areas especially by substituting forest plantations of introduced foreign species with indigenous species and by regenerating forest stands of indigenous tree species.</p> | |
| <p>Mine and UXO clearance from the contaminated soil in protected and Natura 2000 areas, primarily in forests, including mine awareness actions.</p> | |
| <p>Establishing baseline conditions, management goals and monitoring system for restoration and preservation of aquatic ecosystems and water resources of wetland and floodplain forests primarily in protected and Natura 2000 areas.</p> | |
| <p>Establishing and restoring small scale fire-fighting infrastructure (fireroads, firebreaks, fire lookout towers, etc.) diminishing the risks of fires primarily in protected and Natura 2000 areas.</p> | |

2.A.6.2 Guiding principles for selection of operations

| | |
|---|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
| <p>The selection of operations will be based on appropriate and objective assessment of project proposals, after transparent invitations. Main criterion will be the:</p> <ul style="list-style-type: none"> • Contribution of the operation to the specific objective set out for the respective investment priority. <p>Other criteria to be considered:</p> <ul style="list-style-type: none"> • Maturity, minimizing the risk regarding appropriate implementation and substantial results • Compliance with European and national legislation (sectoral or horizontal policies etc.) • Cost-effectiveness (best value for money) | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
| Not envisaged | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
| Not envisaged | |

| | |
|----------------------------|---|
| Investment priority | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure |
|----------------------------|---|

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure | | | | | | | |
|----------------------------|--|--|-------------|--|----------------------------|----------|----------|---|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO23 | Nature and biodiversity: Surface area of habitats supported to attain a better conservation status | Hectares | CF | | | | 366.00 | Hrvatske šume/CROMA C | Annually |
| 6cc12 | Percentage of Natura 2000 network with established management mechanism adequately addressing conservation of targeted species and habitat types | % | CF | | | | 40.00 | State Institute for Nature Protection Annual Work Reports | Annually |
| 6cc22 | Percentage of area of marine | % | CF | | | | 50.00 | State Institute for Nature Protection | Annually |

| Investment priority | | 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure | | | | | | | |
|---------------------|-----------------|---|------|-------------------------------------|---------------------|---|---|---------------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | habitats mapped | | | | | | | Annual Work Reports | |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 6 - Environmental Protection and Sustainability of Resources |
|---------------|--|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|---|--------|---------------------|---|------------|----------------|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
| | | | | | | M | W | T | M | W | T | | |
| CO09 | O | Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions | Visits/year | ERDF | Less developed | | | 31.000 | | | 310,000.00 | MIS | <p>The indicators for the cultural / nature heritage (IP 6.3) cover 75% of the ERDF resources under PA6.</p> <p>Since modest progress is expected in terms of output indicators by 2018 due to the time that is needed for the projects to be implemented and attract visitors the key implementation step was added related to the project approved</p> |

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | | | | | | | | | | | |
|---------------|----------------|---|-------------------------------------|------|--------------------|--------------------|--|-------------|---------------------|--|------------------|--|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 77.744.690 | | | 338,020,392.00 | Ministry of finance | The milestone present N+3 rule for the PA excluding 6% PR (i.e. allocations for 2014 and 2015 net of 6%). |
| 6.3 | I | Culture and nature heritage projects approved | Nr | ERDF | Less developed | | | 12 | | | 20.00 | MIS | The indicators for the cultural / nature heritage (IP 6.3) cover 75% of the ERDF resources under PA6. Since modest progress is expected in terms of output indicators by 2018 due to the time that is needed for the projects to be implemented and attract visitors the key implementation step was added related to the project approved |
| CO19 | O | Wastewater treatment: Additional population served by improved wastewater treatment | Population equivalent | CF | | | | 200.000 | | | 1,000,000.00 | Croatian Waters, Ministry of Agriculture | |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | CF | | | | 382.943.811 | | | 1,649,340,216.00 | Ministry of finance | The milestone present N+3 rule for the PA excluding 6% PR (i.e. allocations for 2014 and 2015 net of 6%). |
| 6ca25 | O | Established and fully operational new waste management centres | Nr | CF | | | | 10 | | | 10.00 | MIS | The output indicator is for the purpose of PF refers only to the established (not to the fully operational) WMCs. That is due to the fact that it after the WMC is established (constructed and in function) it takes certain amount of time for the all functions of the WMC to be finally calibrated to the overall WM system on the area covered by the WMC before it can be considered as fully operational. |

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|--|----|---------------------|--|-------|---|---|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, |
| 6.1 | I | Number of contracted work contracts for water sector projects | Nr | CF | | | | 30 | | | 80.00 | MIS | Since majority of the waste water treatment projects (agglomerations) in Croatia are below 50 m€ threshold and in order to cover majority of resources under PA, the Key implementation step for the WW treatment relates to all projects and not just to the major ones. |
| 6.2 | I | Number of major projects for waste management centres approved by the EC | Nr | CF | | | | 7 | | | 7.00 | MIS | |
| 6ca26 | O | Closed and remediated landfills | Nr | CF | | | | 20 | | | 60.00 | Fund for environmental protection and energy efficiency | |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | | | | | | | | | | |
|---------------|--------------------|--|--|--|--|--|--|--|----------|--|--|--|
| Fund | Category of region | Code | | | | | | | € amount | | | |

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 083. Air quality measures | 20,000,000.00 |
| ERDF | Less developed | 089. Rehabilitation of industrial sites and contaminated land | 80,000,000.00 |
| ERDF | Less developed | 091. Development and promotion of the tourism potential of natural areas | 109,669,123.00 |
| ERDF | Less developed | 094. Protection, development and promotion of public cultural and heritage assets | 88,351,269.00 |
| ERDF | Less developed | 095. Development and promotion of public cultural and heritage services | 40,000,000.00 |
| CF | | 017. Household waste management (including minimisation, sorting, recycling measures) | 50,000,000.00 |
| CF | | 018. Household waste management (including mechanical biological treatment, thermal treatment, incineration and landfill measures) | 425,000,000.00 |
| CF | | 020. Provision of water for human consumption (extraction, treatment, storage and distribution infrastructure) | 169,340,216.00 |
| CF | | 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) | 40,000,000.00 |
| CF | | 022. Waste water treatment | 840,000,000.00 |
| CF | | 085. Protection and enhancement of biodiversity, nature protection and green infrastructure | 54,000,000.00 |
| CF | | 086. Protection, restoration and sustainable use of Natura 2000 sites | 71,000,000.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | |
|---------------|--------------------|--|----------|
| Fund | Category of region | Code | € amount |

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | |
|---------------|--------------------|--|------------------|
| Fund | Category of region | Code | € amount |
| ERDF | | 01. Non-repayable grant | 338,020,392.00 |
| CF | | 01. Non-repayable grant | 1,649,340,216.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Large Urban areas (densely populated >50 000 population) | 80,000,000.00 |
| ERDF | Less developed | 07. Not applicable | 258,020,392.00 |
| CF | | 01. Large Urban areas (densely populated >50 000 population) | 400,000,000.00 |
| CF | | 02. Small Urban areas (intermediate density >5 000 population) | 400,000,000.00 |
| CF | | 07. Not applicable | 849,340,216.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Integrated Territorial Investment – Urban | 113,351,269.00 |
| ERDF | Less developed | 07. Not applicable | 224,669,123.00 |

| | | | |
|---------------|--------------------|--|----------------------|
| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | |
| Fund | Category of region | Code | € amount |
| CF | | 07. Not applicable | 1,649,340,216.0 0 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| | | | |
|---------------|--------------------|--|----------|
| Priority axis | | 6 - Environmental Protection and Sustainability of Resources | |
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| | |
|---|--|
| Priority axis: | 6 - Environmental Protection and Sustainability of Resources |
| <p>Main technical assistance type of measures envisaged under PA 6 are the following:</p> <ul style="list-style-type: none"> • Strengthening the administrative and technical capacities of institutions responsible for implementation and enforcement of environmental related policies (from governmental level to the local authorities and utilities under their responsibility). This also includes measure for assistance in organisational improvement and more efficient delivery of environmental services, primarily communal ones • Raising public awareness and education related to importance of environmental sectors (for example promotion of waste separate collection) <p>Project preparation activity is a horizontal activity within Priority axis (applicable to all Specific objectives).</p> | |

2.A.1 Priority axis

| | |
|-----------------------------------|---------------------------|
| ID of the priority axis | 7 |
| Title of the priority axis | Connectivity and Mobility |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

This Priority Axis will use both CF and ERDF funding pursuant to the General Regulation defining the possibility of usage of different Funds for Investment Priorities under Thematic objective 7. IP 7b (enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes) is exclusively ERDF funded and other IPs can use both Funds. Following the grand distribution of allocations per TO, in line with the thematic concentration rules, the majority of the allocation for priority axis 7 falls to the CF, while the ERDF is consequently focused on IP 7b.

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|------|--------------------|---|---|
| CF | | Total | |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 7b |
| Title of the investment priority | Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|---|
| ID of the specific objective | 7b1 |
| Title of the specific objective | Enhanced regional mobility and connectivity through upgrading regional roads and elimination of major bottlenecks |
| Results that the Member States seek to achieve with Union support | <p>This specific objective is focused on the improvement of accessibility to the road TEN-T network, ensuring integration with the existing secondary and tertiary network. Specifically investment will be focused upon upgrading the national roads network where it contributes to the removal of road bottlenecks.</p> <p>Whilst the motorway network in Croatia and road TEN-T corridors are sufficiently developed, the quality of state, county and local roads hampers local economic development and access to the single market. 40,8% of national roads are in good or very good condition, 22,65% is in acceptable condition and 36,6% are in a bad or very bad condition. Investment in regional connectivity to the comprehensive and core TEN-T network will ensure that urban and rural areas benefit from the opportunities created by the major networks, enabling improved accessibility and mobility of people and goods through Croatia and to the rest of the EU. Improved accessibility will contribute to territorial cohesion and the reduction of regional disparities, enabling the regions and private sector operators in Croatia to better compete in the wider European framework, as well as towards increasing the use of multi-modal solutions.</p> <p>Congestion on roads has significant economic, social and environmental costs and hence this specific objective will aim to</p> |

| | |
|--|--|
| | <p>eliminate bottlenecks in the road network and reduce congestion, specifically on routes approaching key urban employment centres, markets and multi-modal nodes.</p> <p>Detailed results</p> <p>According to assumptions it is expected that the following results will be achieved:</p> <ul style="list-style-type: none"> • improved accessibility of key road sections closely linked to TEN-T network and European markets • better accessibility of Croatian companies and citizens to key European transport corridors • increased regional mobility and connectivity with TEN-T nodes and corridors |
| ID of the specific objective | 7b2 |
| Title of the specific objective | Development of road safety related infrastructure |
| Results that the Member States seek to achieve with Union support | <p>The attention will be given to projects which are concentrated on the increasing level of safety on roads.</p> <p>Although the number of accidents is decreasing due to implementation of National Road Safety Program 2011-2020, the number of fatalities is still significantly exceeding EU average. The number of dead per million inhabitants in Croatia is: 2001 – 146, 2010 – 99 and 2013 – 86, EU average in 2010 – 62, in 2013 – 52 and is around 3 times worse than the leading EU countries (Sweden with 28 dead per million of inhabitants).</p> <p>The support will be concentrated on the further implementation of priorities of National Road Safety Program 2011-2020. This programme is aligned with the EU's 4th Road Safety Action Programme 2010-2020. Major goal of the programme is to achieve 50% reduction of fatalities by 2020 compared to 2010.</p> <p>This programme has defined three type of activities:</p> <ul style="list-style-type: none"> • change of behavior of subjects in traffic |

- improvement of road infrastructure
- improved safety of vehicles
- improved emergency medical services and post-accident treatment

This Specific objective will concentrate on “hard” measures – the infrastructure improvement since the black spot analysis by Hrvatske Ceste Ltd in 2013 has identified a significant amount of needs of that type. Reconstruction and bypassing those black spots will help calming the traffic, make roads more “forgiving” for drivers’ mistakes, improve the situational awareness and de-conflict different subjects in traffic.

As the most of accidents happen in settlements the short bypasses can divert heavy traffic from the most vulnerable subjects in traffic: pedestrians and bicycles. Pedestrian and bicycle lanes hugely improve the safety of the roads and should be implemented even on the regional connections where the need for them is evident.

Detailed results

According to assumptions it is expected that the following results will be achieved:

- elimination of blackspots
- improved safety of road sections with high volumes of mixed traffic

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 7b1 - Enhanced regional mobility and connectivity through upgrading regional roads and elimination of major bottlenecks | | | | | | |
|--------------------|--|---|-------------------------------------|----------------|---------------|---------------------|--|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 7b11 | Number of counties with increased connectivity | Number | Less developed | 0.00 | 2014 | 3.00 | MIS | annually |
| Specific objective | | 7b2 - Development of road safety related infrastructure | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 7b21 | Increased level of road safety | Number of fatalities/millions of inhabitants | Less developed | 86.00 | 2013 | 45.00 | Croatian Bureau of Statistics/Ministry of interior | annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|---|---|
| Investment priority | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| <p>SO 7b1:</p> <ul style="list-style-type: none">• improvements on road network (construction or modernization of existing ones)• construction of infrastructure which will reduce influence on environment• preparation of project documentation <p>SO 7b2:</p> <ul style="list-style-type: none">• physical improvements on selected sections of road network (incl. pedestrian and bicycle lanes/passes)• small scale and point reconstruction of roads (incl. pedestrian and bicycle lanes/passes)• improving signing, road markings and conspicuity• preparation of project documentation | |

| | |
|--|---|
| Investment priority | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| Potential beneficiaries and final recipients | |
| <p>Within this Investment priority, the main beneficiaries will be designated road authorities, mostly “Croatian roads” as well as local authorities. It is expected that also consortiums of beneficiaries can apply for financing.</p> <p>The public intervention will be focused on the final-users of roads.</p> | |

2.A.6.2 Guiding principles for selection of operations

| | |
|--|---|
| Investment priority | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| SO 7b1: | |
| <p>All project proposed for the co-financing will have to comply with the following principles:</p> <ul style="list-style-type: none"> • project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies • projects located directly on section of roads which are connected to TEN-Ts • project must demonstrate improved accessibility to TEN-T network • must demonstrate minimum possible negative impact on environment • wherever feasible provide for integration with non-transport projects on the same routes (like broadband infrastructure, water distribution and sewage systems and other). | |
| SO 7b2: | |

| | |
|--|---|
| Investment priority | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| <p>All project proposed for the co-financing will have to comply with the following principles:</p> <ul style="list-style-type: none"> • be on selected section of roads with previously identified significant safety problems (road safety audits) • have to comply with National Road Safety Program 2011-2020 and black spots in Croatia (made by HC Ltd., June 2013.) • will have to be proportional to their main purpose (safety) • will not have additional negative environmental impact comparing to the state without the project • be in line with EU's Infrastructure Safety Directive | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| n/a | |

2.A.6.4 *Planned use of major projects* (where appropriate)

| | |
|---|---|
| Investment priority | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| <p>SO 7b1:</p> <ul style="list-style-type: none"> • Road connecting the south Dalmatia • Gradiška bridge • Construction of corridor Vc, Motorway Section Beli Manastir-Osijek | |

| | |
|--|---|
| Investment priority | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| <ul style="list-style-type: none"> • Third lane on the section MW Zagreb - Karlovac • Rijeka region Rijeka D403 <p>Other major projects could be added depending on the final scale of the projects being prepared.</p> <p>SO 7b2:</p> <p>Not envisaged</p> | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes | | | | | | | |
|---------------------|--|---|------|-------------------------------------|---------------------|---|-------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO13 | Roads: Total length of newly built roads | km | ERDF | Less developed | | | 53.00 | MIS | annually |
| 7b22 | Number of black spots eliminated | number | ERDF | Less developed | | | 20.00 | MIS | annually |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 7i |
| Title of the investment priority | Supporting a multimodal Single European Transport Area by investing in the TEN-T |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|---|
| ID of the specific objective | 7i1 |
| Title of the specific objective | Modernisation of key TEN-T inland waterways infrastructure |
| Results that the Member States seek to achieve with Union support | <p>This specific objective is focused on the completion of missing gaps and removal of bottlenecks in the core TEN-T inland waterways network (which includes Rhine-Danube core network corridor), in order to increase the mobility and sustainability of international freight transit through Croatia. It will enhance the role of ports on the core (i.e. Vukovar and Slavonski Brod) and comprehensive TEN-T network (i.e. Osijek), through their modernization, and through improvement of the inland TENs corridors and nodes, improve accessibility and mobility of freight through Croatia.</p> <p>Key challenges in the development of the TEN-T inland waterways network in Croatia are the lack of integration and varying market demand across the system, and the low levels of navigability. The network needs to be modernized in a coherent and integrated way in order to improve navigability of the corridors; efficiency and safety of inland ports, and the development of inter-modal nodes that link to other modes of transport i.e. port connectivity. The three most developed inland waterways in Croatia are the Danube, Sava, and Drava, with the former classified as a VI c class water route of international importance. Since the Danube river is freely navigable and the Transport Strategy does not envisage further development of Drava navigability beyond Osijek. The focus is on Sava river which is navigable to a limited level on the 380km of 562 km. In order for Croatian inland waterways TEN-T network to unlock its potential and play a part in the European Single Transport Area, the Sava figures need significant improvement, with interventions planned in a coherent approach across the system and in connection with developments in other transport modes. Improvement of Sava navigability will, thus, be a precondition to other investments on this waterway. Also, arguably the major concern when developing waterways is the environment protection. Activities need to be proportional to the attainable, realistic goals and environmentally sustainable without major negative impacts.</p> <p>By improving accessibility throughout the inland waterways TEN-T network/corridor this specific objective will ensure more</p> |

resource-efficient transit of freight through Croatia, increased sustainability, reduced greenhouse gases and contribute to the creation of a Single European Transport Area.

Detailed results

According to assumptions it is expected that the following results will be achieved:

- enhanced international connectivity of the Croatian TEN-T inland waterway network;
- completed missing links in the TEN-T inland waterway network that hinder the movement of goods and people;
- increased capability of key TEN-T inland waterways ports to handle national and international trade,
- Improved connections of ports to the road and railway network
- reduced environmental impact of TEN-T corridors
- increased safety on TEN-T infrastructure

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 7i1 - Modernisation of key TEN-T inland waterways infrastructure | | | | | | |
|--------------------|--|--|-------------------------------------|----------------|---------------|---------------------|-------------------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 7ca11 | Cargo traffic through inland waterways | mil. tonnes/km | | 43.00 | 2013 | 50.00 | Croatian Bureau of Statistics | annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|---|
| Investment priority | 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T |
| <ul style="list-style-type: none">• construction or modernization of infrastructure dedicated to operability of inland waterway' ports including direct access to them and links with other transport modes• enhancement of navigability of inland waterways• development of River Information Systems on inland fairways• construction or modernization of infrastructure reducing the influence of inland waterways transport to the environment• preparation of project documentation | |
| <p>Beneficiaries and main target groups:</p> <p>Within this specific objective, the main beneficiaries will be city authorities</p> <p>It is expected that also consortiums of beneficiaries can apply for financing.</p> <p>The public intervention will be focused on the final-users, mainly general population.</p> | |

2.A.6.2 Guiding principles for selection of operations

| | |
|---|---|
| Investment priority | 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T |
| All project proposed for the co-financing will have to comply with the following principles: | |
| <ul style="list-style-type: none">• comply with respective comprehensive transport plan prepared and adopted by authorized bodies• respect EU environmental regulations and principles regulating NATURA 2000 areas and in line with Water Framework Directive• located on TEN-T network or are filling gaps or eliminating bottlenecks in TEN-T inland waterway network• detailed long-term demand analysis justifying planned usage of newly build or modernized inland ports' infrastructure• Sava ports to be developed only after Sava navigability improvement starts | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T |
| n/a | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T | | | | | | | |
|---------------------|---|---|------|-------------------------------------|---------------------|---|--------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO16 | Inland waterways: Total length of improved or created inland waterway | km | CF | | | | 380.00 | MIS | annually |
| 7ca12 | Number of ports improved | number | CF | | | | 2.00 | MIS | annually |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 7ii |
| Title of the investment priority | Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 7ii1 |
| Title of the specific objective | Improved territorial cohesion, connectivity and accessibility of islands |
| Results that the Member States seek to achieve with Union | This specific objective aims to integrate islands of Croatia within the wider transport network and overcome a key obstacle to |

| | |
|--|--|
| support | <p>local economic growth. Croatia's coastline is one of the most indented coastal regions in Europe. There are almost 50 inhabited islands which depend significantly on public transport for access to employment and services, and suffer capacity issue in high tourist season. Whilst the isolation of the islands and their general lack of connectivity is one of the reasons for emigration, most of the public transport services are unprofitable and maintained through state subsidies, whilst mainland ports (22 mainland ports) and island ports (73 island ports) have increasingly limited capacity to deal with the rising number of passengers. The operators are concessionaires and are in public service obligation i.e. must maintain a certain minimum number of lines and frequency of trips. Operators provide transport service on the basis of the Concession Agreement or Agreement for the provision of public services, which is concluded with Agency for Coastal Shipping, which also pays subsidies for transport by the State budget and supervise the implementation of the Agreements. It is expected that the pressure from tourism will rise so even in the summer season it might become hard to ensure enough capacity for local passengers.</p> <p>Objective is to gradually provide sustainable and modern transport services to islands throughout the year regardless of tourism pressure and thereby improve accessibility of island communities and businesses to employment, education and other services.</p> |
| ID of the specific objective | 7ii2 |
| Title of the specific objective | Developing intelligent, sustainable and integrated low-carbon urban public transport |
| Results that the Member States seek to achieve with Union support | <p>Implementation of this specific objective will result with the improved urban public transportation, specifically sustainable / low carbon options.</p> <p>In the year 2011, the Croatian transport sector contributed in 20% to the National Inventory of Greenhouse gas emissions, with road transport being responsible for 95% of total transport emissions. Atmospheric pollution of particulate matter is the most widespread air quality problem in Croatia, and traffic is one of its main sources. Public transport is conducted only in the areas of the major cities such as Zagreb, Rijeka, Osijek, Split and their agglomerations, as well as Varaždin, Karlovac, Zadar and Pula. Croatia has recorded a decrease in the number of transported passengers in all modes of transport. In the period from January to December 2012, passenger transport has recorded a decrease of 20.1% in comparison with the same period of 2011. At the same time, an increase has been recorded in the use of private cars. The average speed of public transport is not satisfactory for passengers. In Zagreb average speed of public transport has been steadily declining (reaching only 13 km/h for trams and</p> |

around 18 km/h for buses) and in the same time the number of passengers is continuously decreasing from 2007. The average age of the rolling stock in railway transport (passenger coaches and diesel trains) is approximately 30 years, while the average age of buses is approximately 15 years. It is evident from the timetables of railway and bus carriers that there is a small number of departures on routes outside big cities, where the timetables are primarily adapted to the transport needs of primary and secondary school students. In addition, public transport in the Republic of Croatia is not integrated, as there are no joint timetables or tickets for different modes of transport. The projects and transport services will be planned, coordinated and integrated within transport functional regions on the basis of the sound demand analysis and needs for detailed regulation of the services provided. In order to improve the situation it is necessary to increase the modal split in favour of public transport and soft modes (pedestrians and cyclists), and in order to achieve that, it is a priority to increase the efficiency and physical, operational and organisational integration of all the modes: railway, metro, tram, trolley and bus. It is necessary to provide as well good public transport connections to the main demand generator centres. Pre-trip/on-trip users' information, electronic booking and integrated ticketing covering all transport modes should facilitate multimodal travel. Part of this specific objective dedicated to zero-emission solutions will be implemented by the Integrated Territorial Investment scheme and is seen as an opportunity for Croatian cities and their agglomerations to incorporate zero emissions mobility into their development plans and strategies.

Detailed results

- reduced air and noise pollution and reduced negative environmental impacts of transport within urban areas
- increased capacity and use of urban public transport and promotion of a modal shift
- decreased congestion in cities
- elimination of bottlenecks that hinder the development and functioning of urban public transport systems
- coordinated public transport services within functional regions
- introduction of innovative and clean mobility technologies into the cities

| | |
|--|--|
| ID of the specific objective | 7ii3 |
| Title of the specific objective | Improved accessibility of Dubrovnik by air |

| | |
|--|---|
| Results that the Member States seek to achieve with Union support | <p>Dubrovnik-Neretva County is physically detached from the main national territory by EU borders with Bosnia and Herzegovina and suffers from a lack of connectivity with the rest of the country and of effective integration into the TEN-T network. This region, being one of the most popular world tourist destinations is important as tourism plays an important role for economy and general development of the country. Access to Dubrovnik area with population of some 200 000 via air is restrained by the quality of the facilities and the significant difference in passengers between high and low season (i.e. the difference between August 2013 and January 2013 exceeds 1500%). Average turnaround of the airport is 1.5 million passengers of which 64% is foreigners. Those facts heavily burden current passenger processing capacity. Existing infrastructure also does not meet safety requirements and already threatens operations. Further on, there is a need to assure compliance with Schengen requirements for border status in 2016.</p> <p>With above said primary objective here is to maintain and improve accessibility of Dubrovnik area by meeting demand growth and decreasing congestion.</p> |
|--|---|

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 7ii1 - Improved territorial cohesion, connectivity and accessibility of islands | | | | | | |
|--------------------|--|---|-------------------------------------|----------------|---------------|---------------------|-------------------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 7cb11 | Passengers in public passenger maritime transport (increased) | Passengers/year | | 11,350,111.00 | 2013 | 11,800,000.00 | Coastal Liner Services Agency | annually |
| Specific objective | | 7ii2 - Developing intelligent, sustainable and integrated low-carbon urban public transport | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 7cb21 | Number of passengers in urban public transport (busses and trams) | Number | | 363,198,000.00 | 2012 | 381,357,900.00 | Croatian Bureau of Statistics | annually |
| Specific objective | | 7ii3 - Improved accessibility of Dubrovnik by air | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 7cb31 | Capacity of TEN-T air node in Dubrovnik-Neretva County (increased) | Passengers/year | | 1,522,629.00 | 2013 | 2,752,874.00 | Croatian Bureau of Statistics | annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| <p>SO 7ii1:</p> <p>Support will concentrate on the area of the following transport functional regions: Northern Adriatic, Northern and Central Dalmatia, Southern Dalmatia. Functional regions are based on the analysis of the transport interactions and are not necessarily identical with administrative regions meaning that in case of islands' connectivity every region is a gravity area of major cities which serve as main passenger hubs for islands.</p> <p>Improvement of the island connectivity is a complex and integrated type of project(s) and has to be conceptually well set. In that view it is planned to develop a concept for implementation of this Specific objective. The concept will be validated by a feasibility study, environment study and probably through state aid notification to EC. The concept will define concrete interventions in the context of the needs and specificities of the relevant transport functional regions and would encompass activities such as:</p> <ul style="list-style-type: none">• modernization and construction of new port infrastructure supporting communication with islands• improvement of the direct accessibility of ports for passenger transport (including roads on islands that connect such ports)• purchase of new smaller passenger vessels meeting the low-carbon emission standards• measures to improve traffic management, safety and better services• preparation of project documentation <p>Further on, the concept will define PSO (public service obligation) requirements in a way that purchase of ships would be part of the PSO concession</p> | |

| | |
|---|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| <p>agreement. The concept will also define other state aid requirements.</p> <p>Beneficiaries and target groups:</p> <p>Within this specific objective, the main beneficiaries will be local authorities in the transport functional regions of Northern Adriatic, Northern and Central Dalmatia, Southern Dalmatia or companies which manage and organize public transport services which operate to and from Croatian islands.</p> <p>It is expected that also consortiums of beneficiaries can apply for financing.</p> <p>The public intervention will be focused on the final-users and passengers as well as managers of transport infrastructure authorities.</p> <p>SO 7ii2:</p> <ul style="list-style-type: none"> • Development of infrastructure for public transport companies which is dedicated to implementation of energy efficient solutions • development of park&ride infrastructure and systems • construction and modernization of public transport infrastructure • purchase and modernization of passenger rolling stock (trams, eco-buses, light rail) with low CO2 • emissions for public transport operators • implementation of systems for monitoring and management of transport systems (ITS) within urban areas • introduction of single ticket systems and modern passenger information systems • construction and improvement of bicycle paths, lanes • Introduction of bicycle sharing system | |

| | |
|--|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| <ul style="list-style-type: none"> • pilot introduction of electric car filling stations and other related small scale infrastructure • introduction of other clean mobility solutions and innovative technologies • preparation of projects documentation <p>Potential beneficiaries and final recipients:</p> <p>Within public transport domain, the main beneficiaries will be local authorities or companies established by local authorities which manage and organize public transport services.</p> <p>It is expected that also consortiums of public transport managers can apply for financing as well as consortiums of local authorities and various combinations with each other. The public intervention will be focused on the users of public transport in urban areas as well as managers of public transport services which are to provide satisfactory level of services and which are to be able to assure proper integration of services with several other moods of transport.</p> <p>SO 7ii3:</p> <p>Construction and modernization of airport infrastructure and equipment at Dubrovnik airport including:</p> <ul style="list-style-type: none"> • Reconstruction and upgrade of the main runway • Construction of parallel taxiways • Construction of terminal buildings • Fuel farm construction, waste management facilities, air bridges and electrical sub-stations | |

| | |
|---|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| Within this specific objective, the main beneficiary will be Dubrovnik Airport Authority. | |

2.A.6.2 Guiding principles for selection of operations

| | |
|---|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| <p>SO 7ii1:</p> <p>Projects will be selected according to 2 possible schemes:</p> <ul style="list-style-type: none"> • open call for proposals • selection of key projects by the managing authority <p>Calls for proposals will be based on rules presented in the call whereas selection of the key projects will be based on importance of the project and its influence on results of the OP.</p> <p>Selection of the projects will be based on the following key factors and principles:</p> <ul style="list-style-type: none"> • project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies • at least 50% of the project costs must be directly related to islands' connectivity • construction of new ports will depend on justifiable need to lessen the congestion in existing ports or to a sound need for port reallocation (Several ferry ports are located within historical center of a city (Rijeka, Zadar, Šibenik, Split), it is a reason for extreme traffic congestion in tourist season. In the purpose of decreasing traffic congestion some of those ports have to be relocated to more appropriate location) • projects have to contribute to mitigate climate change and atmospheric pollution | |

| | |
|---|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| <ul style="list-style-type: none"> • purchase of vessels will be based on the public service obligations contracts which will define expected standards and procedures for services to be provided • the projects will have to demonstrate sound and detailed demand analysis which provides background for planned investment • projects which will result in providing services for more than one local authorities will have to provide formal agreements with all local authorities concerned on the implementation of the project and on public service obligations which will constitute legal and financial background for the long-term usage of the requested fleet <p>SO 7ii2:</p> <p>Projects will be selected according to 2 possible schemes:</p> <ul style="list-style-type: none"> • open call for proposals • selection of key projects by the managing authority <p>Calls for proposals will be based on rules presented in the call whereas selection of the key projects will be based on importance of the project and its influence on results of the OP.</p> <p>Selection of the projects will be based on the following key factors and principles:</p> <ul style="list-style-type: none"> • project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies (Sustainable Urban Mobility Plans or higher ranking strategies including equivalent information) • linked to local strategy/plan • project have to focus on minimizing consumption of primary energy sources • project have to be implemented by beneficiaries which are able to operate on public transport infrastructure and will prove that requested co-financing will not create an excessive compensation for them and the usage of purchased and modernized rolling stock will be based on the public service obligations contracts | |

| | |
|---|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| <ul style="list-style-type: none"> • preference will be given to projects linking at least 2 modes of transport (excluding road transport) • contributing to mitigate climate change and atmospheric pollution • the projects which connect two and more urban areas will have to prove long-term cooperation by binding agreements on providing services within PSO scheme • rolling stock and equipment can only be funded where directly related to the improvement of a specific section of the infrastructure • ITI project will have to have a level of integration and coordination with other non-transport elements of the ITI (other projects or be a component of complex projects) <p>SO 7ii3:</p> <p>Project will be selected through the selection procedure for key strategic projects by the managing authority</p> <p>Selection of the project will be based on the following key factors and principles:</p> <ul style="list-style-type: none"> • project has to comply with respective comprehensive transport plan prepared and adopted by authorized bodies • the infrastructure is necessary and proportional to the set objective • project has to contribute to environment protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact • the project will have to demonstrate sound and detailed demand analysis which provides background for planned investment • is compatible with EU state aid rules | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

| | |
|--|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| Only for SO 7ii2: It is intended to firstly examine potential and then use financial instruments for this Specific objective due to the nature of the planned investments. Agreement is being finalised with the EIB that will cover ex-ante assessment and assistance in establishment of the financing. However since financing instrument is complex mechanism it is expected that its set-up will require relatively significant amount of time. Therefore in order to secure implementation of the Specific objective it is intended to use more classical type of funding i.e. grant scheme in the meantime. On the other hand the assessment may prove that FI is not feasible for this Specific objective or some type of its activities. | |

2.A.6.4 *Planned use of major projects* (where appropriate)

| | |
|---|--|
| Investment priority | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| The following major projects have been identified: <ul style="list-style-type: none">• Dubrovnik Airport Development• Zagreb region Interated transport system – 3 Counties Also other projects can be identified during implementation of the OP. | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|--------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 7cb12 | Ports providing services related to islands improved | number | CF | | | | 10.00 | MIS | annually |
| 7cb22 | Agglomerations which introduced integrated public transport systems | Number | CF | | | | 2.00 | MIS | annually |
| 7cb32 | Dubrovnik Airport modernized | % | CF | | | | 100.00 | MIS | annually |

2.A.4 Investment priority

| | |
|---|---|
| ID of the investment priority | 7iii |
| Title of the investment priority | Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|-------------------------------------|-------|
| ID of the specific objective | 7iii1 |
|-------------------------------------|-------|

| | |
|--|--|
| Title of the specific objective | Upgrading and improvement of the rail network to promote a modal shift |
| Results that the Member States seek to achieve with Union support | <p>This objective aims to improve and upgrade the railway infrastructure in Croatia, encouraging a modal shift from road to rail, as a more sustainable / low carbon option, through increasing the capacity of both TEN-T and regional railway infrastructure and services. Whilst the total length of railway lines in Croatia is roughly in line with average ratios for other EU member states, the network suffers from a lack of modernisation and general dilapidation due to a long period of under-funding. The network lacks capacity and in some cases entire sections of the network are inoperable. According to 2012 statistics, 90% of the network is covered only by single lines, and only 36% of the entire railway system is electrified. Around 38% of the total open track length allows for speeds only below 60 km/h, whilst only 4,1% of the network is capable of speeds in excess of 160 km/h, and 12.2% for speeds in excess of 100 km/h. The share of the railways in total inland freight transport tonne-km in 2011 was 20.2% - the lowest figure ever recorded, whilst the share of total inland passenger transport by rail in 2011 was only 4.9 % against an EU-27 average of 7.1%. Almost 55% of the Croatian rail network concerns routes that are significant for international transport. The following international rail corridors and routes pass through the territory of the Republic of Croatia and in all cases are in need of reconstruction and modernisation to improve journey times, capacity and safety that reflect functional and technical standards of the TEN-T network :</p> <ul style="list-style-type: none"> • The Mediterranean Corridor of the core network (connecting port Rijeka with mid-Europe) • TEN-T route connecting Ljubljana, Zagreb and Belgrade (ex Paneuropean Corridor X) • TEN-T route connecting Budapest and Ploče (ex Paneuropean corridor Vc) <p>The majority of passenger rail traffic (more than 70%) occurs on the urban and suburban commuter lines into Zagreb, whilst other parts of the network that have been neglected have low passenger figures and are uncompetitive. The railway network also has limited links with other modes of public passenger transport. Main effort regarding the passenger transport is to be related to stopping the negative trend of declining usage of railways by assuring better services and connectivity to other modes. Condition of the Croatian railway infrastructure is matched by the rolling stock, with the average age of passenger trains of the only operator being 30 years old. Because the traffic management, signalling and interlocking system is outdated, the TEN-T part of network will be given priority in modernisation with implementation of EU priorities regarding interoperability, ERTMS, ETCS and GSM-R. The investment in railway network will be coordinated with Connecting Europe Facility. Thereby part of the prepared railway projects could receive financing from CEF. Those projects are to be</p> |

picked from the sections of Mediterranean corridor.

Detailed results

- reduced emissions and air pollution through a modal shift from road to rail
- increased capacity and use of railway services for passengers and freight on both TEN-T corridors and to regional centers
- better integration of railway lines into other transport modes
- increased safety and reliability of the system
- enhanced international connectivity
- increased attractiveness of railway transport
- increased length of railway lines equipped with relevant ERTMS, ETCS and GSM-R systems

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 7iii1 - Upgrading and improvement of the rail network to promote a modal shift | | | | | | |
|--------------------|--|--|-------------------------------------|----------------|---------------|---------------------|------------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 7cc12 | Number of railway passengers | mln pass. | | 24.20 | 2013 | 26.30 | HŽ Passenger Transport | annually |
| 7cc11 | Increased freight traffic on TEN-T corridors | net tonne-km in millions | | 1,378.00 | 2012 | 2,000.00 | HŽI | annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|---|--|
| Investment priority | 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| <ul style="list-style-type: none">• construction, modernization and rehabilitation of railway lines• purchase and modernization of passenger rolling stock• implementation of European safety solutions• implementation of common European standards in the field of GSM-R, ERTMS, ETCS• modernization of railway stations• actions enhancing services of railway transport to users• re-integration of railways within existing urban transport systems• preparation of project documentation | |
| Potential beneficiaries and final recipients | |
| <p>The beneficiaries will be the Croatian Railway Infrastructure, HŽ INFRASTRUKTURA d.o.o. (the state-owned Limited Liability Company for Management, Maintenance and Building of Railway Infrastructure) and railway operators, owners of railway stations and local authorities as far as urban transport integration projects are concerned.</p> | |
| <p>The intervention will ensure a satisfactory level of service for passengers and for business using the railway network to move goods, and ensure that the rail network will be able to increasingly compete with other less environmentally friendly forms of transport. Through improving connectivity across Croatia the intervention will also help support the economic competitiveness of the Croatian economy and the economic wellbeing and vitality of regional</p> | |

| | |
|----------------------------|--|
| Investment priority | 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| centers. | |

2.A.6.2 Guiding principles for selection of operations

| | |
|--|--|
| Investment priority | 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| <p>Selection of the projects will be based on the following key factors and principles:</p> <ul style="list-style-type: none"> • project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies • infrastructure improvements located on or directly linked to the TEN-T network will be prioritized • preference will be given to projects linking rail to other modes of public transport • infrastructure projects must show a reasonable rate of return of investment in terms of improved speed and passenger / freight data and impact on the local economy • any equipment purchased must meet the current environmental standards for CO2 emissions • rolling stock and equipment can only be funded where directly related to the improvement of a specific section of the railway infrastructure • compliance with ERTMS, ECTS and TSI standards | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|--|
| Investment priority | 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| n/a | |

| | |
|----------------------------|--|
| Investment priority | 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
|----------------------------|--|

2.A.6.4 *Planned use of major projects* (where appropriate)

| | |
|---|--|
| Investment priority | 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| <p>The following projects have been identified:</p> <ul style="list-style-type: none"> • Dugo Selo – Križevci (from period 2007-2013, subject to phasing) • Hrvatski Leskovac - Karlovac • Križevci - Koprivnica –national border • Dugo Selo - Novska • Goljak - Skradnik • Okučani - Vinkovci • Vinkovci - Vukovar • Podsused - Samobor • Zaprešić - Zabok • GSM-R • Traffic management center <p>Also other projects can be identified during implementation of the OP.</p> | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures | | | | | | | |
|---------------------|--|--|------|-------------------------------------|---------------------|---|-------|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO11a | Railway: Total length of new railway line, of which: TEN-T | km | CF | | | | 80.00 | MIS | annually |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 7 - Connectivity and Mobility |
|---------------|-------------------------------|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 7 - Connectivity and Mobility | | | | | | | | | | | |
|---------------|----------------|--------------------------------------|-------------------------------------|------|--------------------|--------------------|---|---|---------------------|---|---|----------------|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
| | | | | | | M | W | T | M | W | T | | |
| | | | | | | | | | | | | | |

| Priority axis | | 7 - Connectivity and Mobility | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|--|----------------|---------------------|--|----------------|----------------|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, |
| CO13 | O | Roads: Total length of newly built roads | km | ERDF | Less developed | | | 10 | | | 53.00 | MIS | - Chosen because road construction projects have the biggest part of ERDF allocation in TO7 (>60%) - The target reflects total kms for currently known projects. |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 92,872,000.00 | | | 400,000,000.00 | MIS | The milestone presents N+3 rule for the PA excluding 6% PR (i.e. allocations for 2014 and 2015 net of 6%). |
| 7.2 | I | Volume of contracted projects falling under SO 7b1 | EUR | ERDF | Less developed | | | 150,000,000.00 | | | 330,000,000.00 | MIS | - refers to the ERDF cofinanced part of contracts - Given the planned dates for the project implementation it is not expected to have significant output by 2018 - The milestone target reflects the necessity to contract large part of allocation by 2018 in order to finish projects by 2023 |
| CO12a | O | Railway: Total length of reconstructed or upgraded railway line, of which: TEN-T | km | CF | | | | 20.00 | | | 80.00 | MIS | - Chosen because rail projects have the biggest part of CF allocation in TO7 (>50%) - Target reflects the allocation since all projects currently in preparation have some 400 km together. The intermediate goal of 20 km reflects the fact that most of those project will just start in 2017-2018. |

| Priority axis | | 7 - Connectivity and Mobility | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|--|----------------|---------------------|--|----------------|----------------|---|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | CF | | | | 211,331,572.00 | | | 910,205,755.00 | MIS | milestone presents N+3 rule for the PA excluding 6% PR (i.e. allocations for 2014 and 2015 net of 6%) |
| 7.1 | I | Volume of contracted projects falling under SO 7iii1 | EUR | CF | | | | 300,000,000.00 | | | 480,205,755.00 | MIS | -refers to the CF cofinancing part of contracts - Give n the planned dates for finishing the project preparation in railways it is not expected to have significant output by 2018 - The milestone reflects the necessity to contract large part of allocation by 2018 in order to finish projects by 2023. |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | 7 - Connectivity and Mobility |
|---------------|-------------------------------|
|---------------|-------------------------------|

| Fund | Category of region | Code | € amount |
|-------------|---------------------------|--|-----------------|
| ERDF | | 028. TEN-T motorways and roads - core network (new build) | 200,000,000.00 |
| ERDF | | 030. Secondary road links to TEN-T road network and nodes (new build) | 40,000,000.00 |
| ERDF | | 031. Other national and regional roads (new build) | 60,000,000.00 |
| ERDF | | 033. TEN-T reconstructed or improved road | 40,000,000.00 |
| ERDF | | 034. Other reconstructed or improved road (motorway, national, regional or local) | 60,000,000.00 |
| CF | | 024. Railways (TEN-T Core) | 340,000,000.00 |
| CF | | 026. Other Railways | 50,000,000.00 |
| CF | | 027. Mobile rail assets | 90,205,755.00 |
| CF | | 037. Airports (TEN-T) | 120,000,000.00 |
| CF | | 040. Other seaports | 80,000,000.00 |
| CF | | 041. Inland waterways and ports (TEN-T) | 60,000,000.00 |
| CF | | 043. Clean urban transport infrastructure and promotion (including equipment and rolling stock) | 150,000,000.00 |
| CF | | 044. Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems) | 20,000,000.00 |

Table 8: Dimension 2 - Form of finance

| | |
|----------------------|--------------------------------------|
| Priority axis | 7 - Connectivity and Mobility |
|----------------------|--------------------------------------|

| Fund | Category of region | Code | € amount |
|------|--------------------|-------------------------|----------------|
| ERDF | | 01. Non-repayable grant | 400,000,000.00 |
| CF | | 01. Non-repayable grant | 910,205,755.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | 7 - Connectivity and Mobility | | |
|---------------|-------------------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | | 01. Large Urban areas (densely populated >50 000 population) | 40,000,000.00 |
| ERDF | | 02. Small Urban areas (intermediate density >5 000 population) | 40,000,000.00 |
| ERDF | | 07. Not applicable | 320,000,000.00 |
| CF | | 01. Large Urban areas (densely populated >50 000 population) | 250,000,000.00 |
| CF | | 02. Small Urban areas (intermediate density >5 000 population) | 100,000,000.00 |
| CF | | 07. Not applicable | 560,205,755.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | 7 - Connectivity and Mobility | | |
|---------------|-------------------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | | 05. Other integrated approaches to sustainable urban/rural development | 100,000,000.00 |

| Priority axis | | 7 - Connectivity and Mobility | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | | 07. Not applicable | 300,000,000.00 |
| CF | | 01. Integrated Territorial Investment – Urban | 50,000,000.00 |
| CF | | 05. Other integrated approaches to sustainable urban/rural development | 240,000,000.00 |
| CF | | 07. Not applicable | 620,205,755.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| Priority axis | | 7 - Connectivity and Mobility | |
|---------------|--------------------|-------------------------------|----------|
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| Priority axis: | 7 - Connectivity and Mobility |
|---|-------------------------------|
| <p>This priority axis includes technical assistance in the form of the project pipeline preparation for current financing period but also for the next one. It is also envisaged to support development of specific transport studies above the project level e.g. regional or subsector studies, data generation, etc. in order to facilitate the implementation of priority axis.</p> | |

2.A.1 Priority axis

| | |
|-----------------------------------|-----------------------------|
| ID of the priority axis | 8 |
| Title of the priority axis | Social Inclusion and Health |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

2.A.4 Investment priority

| | |
|---|--|
| ID of the investment priority | 9a |
| Title of the investment priority | Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 1 |
| Title of the specific objective | Improving access to primary and emergency health care, with focus on isolated and deprived areas |
| Results that the Member States seek to achieve with Union support | <p>Regarding primary health care (PHC), inhabitants of areas with insufficient number of PHC teams face limited access to health care and sometimes have to travel long distances to reach the nearest PHC practice or visit the hospital. Absence of PHC teams in certain areas increases pressure on hospital services, because patients from these areas are more likely to seek help directly from hospitals, either with their PHC physicians' referral or without it.</p> <p>Across the whole Croatia, there are 255 PHC teams (general practice, primary paediatrics, primary gynaecology) which are required by the Network of Public Health Service (O.G. 101/2012), but do not exist due to inadequate infrastructure or lack of medical staff.</p> <p>ESIF will be used to tackle the problem of non-existence of PHC teams with clear focus on socio-economically deprived and geographically isolated areas such as islands. Deprived areas will be identified on the basis of their development index. The change sought is the improvement of access to PHC in areas where currently there is an insufficient number of primary health care teams, especially in deprived or/and isolated areas, and it will be achieved by supporting the PHC providers. Referral rate from supported PHC providers to hospitals will be reduced, as more diagnostic and therapeutic procedures will be provided at the PHC level. The subsequent decrease in demand for hospital services will contribute to reduction in hospital waiting lists which is in line with the on-going structural reform. Financing will be available for infrastructure in limited number of locations, as well as purchase of vehicles and equipment (ERDF), and for the education of medical workers (ESF) directly connected with the establishment of PHC teams. New vehicles and equipment will be used by physicians and patronage nurses to increase the number of home visits, which will improve the access to health care for vulnerable groups such as disabled persons living in remote rural areas who would otherwise not be able to use health services due to distance or physical inability.</p> <p>In addition to support to PHC providers, important element of completion of the reforms regarding the improvement of the access to primary healthcare throughout Croatia is ensuring the access to efficient emergency health care. Emergency medical service (EMS) in most parts of Croatia has been significantly improved through the reform undertaken during last couple of years. With support from the World Bank loan, county-level Centers for Emergency Medicine have been</p> |

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| | <p>established and equipped, and conjoint emergency medical wards have been equipped (and adapted where needed) in 21 hospitals. In order to complete the reform of the EMS, ESIF will be used to build and equip conjoint emergency medical wards in the remaining hospitals in which they have not been established and in which such investment is not planned to be financed from other sources such as public-private partnership. Furthermore, ESIF will be used to improve transport and care of emergency patients from Croatian islands through establishing rapid sea emergency medical service. As a result, patients from islands will be transported more quickly and in adequate vessels, EMS will be available in cases of sea accidents and disaster situations at sea and Cross-border health care provision will be improved, as per Directive 2011/24/EU.</p> |
| ID of the specific objective | 2 |
| Title of the specific objective | Improving efficiency and access to hospital care for vulnerable groups |
| Results that the Member States seek to achieve with Union support | <p>Access to hospital services can be greatly improved by increasing the efficiency through changing the modality of hospital care provision. Currently, hospital care in Croatia is primarily based on acute inpatient care, which is not only most expensive, but often unnecessary for the optimal treatment of patients in hospitals. A shift from acute inpatient care towards day hospital/day surgery is one of the main goals of the National plan for development of clinical hospital centers, clinical hospitals, clinics and general hospitals in the Republic of Croatia for the period 2014-2016 (National plan), which itself is one of the key measures defined in the National Reform Program of the Republic of Croatia.</p> <p>Regarding limitations in access to hospital care, vulnerable groups are particularly affected by these limitations, mostly resulting from the inefficient or undeveloped hospital services. Among various vulnerable groups defined in the Croatian Strategy for Combating Poverty and Social Exclusion 2014-2020, ERDF investments under this specific objective will aim to improve the efficiency and access to hospital services for the following vulnerable groups: children, people with mental disorders, psychiatric patients, dying patients, and patients with the most severe physical disability such as those with spinal injuries. These groups are chosen because caring about them presents a significant burden for their family members, which is often cause of sick leaves and absence from work or even impediment to their entry into the labour market. Investments in hospitals and hospital departments providing care for these vulnerable groups can reduce the burden on family members/carers and contribute to another key measure identified in the National Reform Program, i.e. reducing the rate of sick leaves.</p> <p>Hospitals, special hospitals and hospital departments that provide care to patients from the above mentioned vulnerable groups will be eligible for all actions under this specific objective. Additionally, actions focused on establishing day hospitals and day</p> |

| | |
|--|---|
| | <p>surgeries will be implemented in all hospitals covered by the national plan. Investments in these parts of the Croatian hospital system will most directly contribute to improving efficiency of and access to hospital care for vulnerable groups, while at the same time contributing to the overall objectives of the National Plan, especially in terms of making the health system more efficient and cost-effective.</p> <p>Complementary actions co-financed by ESF will support continuing medical education and training for working in the ERDF-supported modalities of hospital care, and development of clinical guidelines and pathways of care.</p> <p>As the results of ESIF investments, vulnerable groups of patients across the country will have access to improved health care facilities. Some groups of vulnerable patients (severely disabled, dying) will have access to hospital care which was previously very poor or non-existent. The change in modality of care will increase the productivity of hospitals and improve throughput of patients, contributing to reduction in waiting lists and reduction in number of admission to hospitals of aforementioned vulnerable group of patients. Efficiency of hospital operations will be increased, leading to significant savings in the system, including through reduced number of hospital admissions and sick leaves.</p> |
| ID of the specific objective | 3 |
| Title of the specific objective | To promote social inclusion and reducing inequalities by improved access to social services and transition from institutional to community-based services through improved social infrastructure |
| Results that the Member States seek to achieve with Union support | <p>Croatia is facing regional unevenness in the development and availability of social services. The problem needs to be addressed from two closely connected sides. Firstly, based on Plan of Deinstitutionalization, main goal of the process of deinstitutionalisation is to reduce the number of persons entering and to increase number of those leaving institutions in new forms of community based care.</p> <p>Expected result of deinstitutionalisation process is presented by the number of users who need to be deinstitutionalised. The expected results are: to change the ratio of children and youth without adequate parental care in institution and out of institution changed to 20% in institution and 80% out-of institution; to deinstitutionalise 40% of children and youth with behavioural disorders, 40% of children and youth with behavioural disorders, 30% of persons with intellectual, sensory and physical impairment until 2016 and 20% of persons with mental impairment till 2018.</p> |

On the other hand, there is a need to **improve availability of community based services** for the vulnerable groups, to enable better access and to ensure higher quality of social services. Support to the broadening the network of these services provided by various service providers like NGOs is precondition for sustainable deinstitutionalisation. It's necessary to support the provision of wider range of community services for vulnerable groups, in order to prevent institutionalisation. Further, to better prepare users and their families for deinstitutionalisation it is necessary to improve conditions of social welfare centres, which support this process.

All of the regions have insufficient availability and accessibility of social services provided to members of vulnerable groups as defined in Strategy for Fight against Poverty, and projects will be implemented on entire Croatian territory. Thus it's necessary to develop community-based social services for other vulnerable groups as well, such as the elderly, the homeless, war veterans or war victims, in order to prevent their institutionalization and to contribute to their better inclusion.

Furthermore, because of an absence of a detached system for or psycho-social care for war veterans and war victims, and regarding the fact that this is a population which, due to the specific needs it requires, has a somewhat difficult access to social services of general interest, as well as the need for specific services adapted to the needs of this group, there is a genuine need of concentrated psychosocial care provision by establishment of veteran centres on local level - which are primary day centres that will provide services for people in need and thus facilitate inclusion of users in community.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 1 - Improving access to primary and emergency health care, with focus on isolated and deprived areas | | | | | | |
|--------------------|---|--|-------------------------------------|----------------|---------------|---------------------|---|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 9a11 | Reduction in hospital referral rates from primary health care providers in deprived/isolated areas | No. of referrals | Less developed | 490,027.00 | 2013 | 416,676.00 | Ministry of Health, Croatian Health Insurance Fund, MIS | annually |
| Specific objective | | 2 - Improving efficiency and access to hospital care for vulnerable groups | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 9a21 | Reduction in number of admissions to acute inpatient wards in hospitals covered by the National plan for development of clinical hospital centers, clinical hospitals, clinics and general hospitals in the Republic of Croatia (2014-2016) | Yearly no. of hospital admissions | Less developed | 4,157,784.00 | 2014 | 3,742,000.00 | Ministry of Health, Croatian Health Insurance Fund | annually |
| Specific objective | | 3 - To promote social inclusion and reducing inequalities by improved access to social services and transition from institutional to community-based services through improved social infrastructure | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 9a31 | Reduction of number of people in institutions | % | Less developed | 8,311.00 | 2012 | 25.00 | MIS, surveys | annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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|---|---|
| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p><u>Under SO 9.1.1 the following actions may be supported:</u></p> <p>ERDF investments will be targeted towards primary health care (PHC) providers in areas in which the Network of Public Health Service (O.G. 101/2012) defines the need for primary health care teams, but where there are no such teams established due to inadequate infrastructure or lack of human resources. For the support from ERDF will be eligible PHC providers covering areas that are socio-economically deprived, judged by their development index, and in geographically isolated areas, primarily islands. Support will be based on proposals (plans) prepared by PHC providers and embracing integrated ERDF and ESF actions. In their project proposals, PHC providers will have to demonstrate that the received support will improve the access to PHC throughout the area they are covering, but especially in municipalities that are lacking PHC teams according to the Network of Public Health Service.</p> <p>ERDF investment will support:</p> <p>Acquiring the medical equipment and vehicles necessary to provide primary health care. Purchasing of medical equipment for PHC providers includes devices that can reduce the need for referrals to hospitals and provide adequate care closer to the patients' homes (radiology devices with digitalization to enable use of telemedicine, mammography, ultrasound, laboratory analysis equipment, mHealth and other devices to support self-care and monitoring of chronic patients). Vehicles for PHC providers will be used in order to improve the mobility of health care teams and to increase the number of home visits, aiming especially at the most vulnerable groups (e.g. disabled persons living in remote rural areas) who would otherwise not be able to use health services, due to distance or physical inability.</p> <p>Renovation or construction of infrastructure (including buildings) necessary to run effectively operations of PHC teams. This will apply only to a limited number of locations, where necessary facilities are in very poor condition or non-existent, or to provide access to disabled persons.</p> | |

| | |
|---|---|
| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p>A parallel investment under the ESF will ensure the availability of qualified teams to use the infrastructure and equipment delivered under the project. This will be achieved by supporting specialty education in PHC, such as gynaecology, paediatrics or general medicine, of physicians employed to work at the currently empty locations and training of other health care professionals delivering services in the eligible areas. To attract physicians to work in deprived areas, ESF will support them through scholarships for their specialty education. To ensure sustainability, health care professionals receiving support from the ESF will be obliged to work for at least 5 years at the required location. This will contribute to sustainability of the ERDF investments.</p> <p>Beneficiaries of this action are PHC providers and Ministry of Health.</p> <p>Target group are all inhabitants of the given deprived or isolated areas with the focus on the most vulnerable and the least mobile social groups.</p> <p>ERDF investments in improving emergency health care services on geographically isolated and deprived areas will include:</p> <p>Establishing emergency medical sea transport by purchasing specialized boats with necessary equipment and by arranging port berths. The number of boats will be decided after completion of feasibility study, which is planned as the first phase of the investment.</p> <p>Beneficiaries will be Centers for Emergency Medicine providing emergency medical services to islands and the Ministry of Health.</p> <p>Building and equipping the conjoint emergency medical wards in hospitals that still do not have such wards in full function. Necessary works and equipment will be defined as per the Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing emergency medical services (O.B. 42/2011). In general, works will include constructing or adapting hospital premises, while equipment may include devices such as digital X-ray devices, mobile ultrasound devices, respiratory-, cardio-, and other equipment directly connected with improving efficiency of targeted hospital's emergency wards.</p> <p>Beneficiary of this action will be eligible hospitals.</p> <p>A parallel investment from ESF will ensure the adequate number of physicians with specialty training in emergency medicine.</p> | |

| | |
|----------------------------|---|
| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
|----------------------------|---|

Under SO 9.1.2 the following actions may be supported:

Actions to increase efficiency and access to hospital care for vulnerable groups will consist of several operations co-financed by ERDF implemented on the basis of project proposals prepared by eligible hospitals and hospital departments that provide care exclusively to patients from the targeted four groups. Projects will be assessed by the Ministry of Health on the basis of the National Plan.

To take into account diversified needs of health care support will be differentiated in relation to each targeted vulnerable group.

Children

Hospital care for children will be targeted comprehensively, and will include a number of investments in hospitals covered by the National plan. Planned investments include:

- A general overhaul and equipping of the only clinic specialized for children's diseases in the National plan. Each year this hospital admits 12,500 children for inpatient treatment, and provides ambulatory diagnostic and therapeutic services to 230,000 children, which is more than a quarter of total Croatian population age 0-18 years.
- adaptation and equipping of paediatric day hospitals and day surgeries in hospitals covered by the National plan. Paediatric patients make about 15% of all patients treated in day hospitals and day surgeries in Croatia. Paediatrics has a great potential for an increase in modality of day hospital and day surgery, which would contribute to improved access, quality, and efficiency of pediatric care. This is also in accordance with the Charter of the European Association for Children in Hospital (EACH), which states that children should be admitted to hospital only if the care they require cannot be equally well provided at home or on a day basis.
- adaptation of paediatric inpatient wards in hospitals covered by the National plan to allow parents' stay with children patients. According to the EACH Charter, children in hospital should have the right to have their parents or parent substitute with them at all times.

Beneficiaries of the action: hospitals with paediatric inpatient wards and/or day hospitals, covered by the National plan.

Psychiatric patients

| | |
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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p>Investments in hospital capacities for psychiatric patients will aim to increase the efficiency and access to adequate care by adaptation and equipping of psychiatric day hospital wards in hospitals covered by the National plan. Psychiatric patients make about 15% of all patients treated in day hospitals and day surgeries in Croatia. Psychiatry is also a discipline with a great potential for an increase in modality of day hospital and day surgery, which would contribute to improved access, quality, and efficiency of psychiatric care.</p> <p>Care for people with most severe mental illnesses (patients deemed dangerous for themselves and others) will be improved by construction and furnishing of forensic and high-security psychiatry wards at specialized hospitals providing care for such patients.</p> <p>Finally, construction and equipping of acute inpatient psychiatric wards will be supported where needed, according to the standards laid out in the Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing health services (O.B. 061/2011). <u>Beneficiary of the action:</u> forensic and high-security psychiatry wards at specialized hospitals and hospitals with acute inpatient psychiatric wards and/or day hospitals, covered by the National plan.</p> <p><u>Dying patients</u></p> <p>Systematic development of palliative care, i.e. care for dying patients, has begun only recently, with the adoption of Strategic plan for development of palliative care in Republic of Croatia for the period 2014-2016. This Strategic plan puts an emphasis on the development of community-level palliative care, but recognizes the necessity of hospital capacities for palliative care, as more than 20% of cancer patients and 5% non-cancer patients require specialist palliative care during the last year of their life. This is a significant problem in Croatia, as cancer is the second most frequent cause of death in Croatia: every fourth citizen of Croatia dies from cancer, with a yearly toll of almost 14,000 people. ERDF investment will provide an infrastructural basis for such care, by adaptation and equipping of palliative care wards in Croatian hospitals included in the National plan, according to the standards laid out in the Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing health services (O.B. 061/2011).</p> <p>Beneficiary of the action: eligible hospitals with palliative care wards, covered by the National plan.</p> <p><u>Patients with spinal injury</u></p> <p>Patients with spinal injury and consequent palsy are suffering from most severe physical disabilities, and although there are more than 700 such patients in Croatia, there is no properly equipped center for their comprehensive treatment and rehabilitation. ERDF investment will provide an infrastructural basis</p> | |

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p>for improved care for such patients, by constructing and equipping of a new center for comprehensive treatment and rehabilitation of patients with severe spinal injuries, in a hospital that demonstrates the greatest potential to profile itself into a national reference center.</p> <p>Beneficiary of the action: Hospital playing the role of national reference center.</p> <p><u>Day hospitals (incl. day surgeries)</u></p> <p>In addition to actions targeted specifically at vulnerable groups, significant improvements in access to healthcare and quality of treatment for vulnerable groups can be achieved through the establishment of day hospitals and day surgeries. The establishment of day hospitals and day surgery will also have a profound impact on the overall efficiency of the health system through the reduction of unsustainably large costs we currently have for treating patients in acute hospital wards rather than in day hospitals.</p> <p>ERDF investment will provide an infrastructural basis for such care, by adaptation and equipping of day hospital and day surgery wards in Croatian hospitals included in the National plan. Supported activities will include reconstruction and refurbishing for better patient flow and higher security and purchasing equipment (including ICT) specifically designed for day care and day surgery. Related ESF-type activities will include education of staff for day surgery procedures, development of SOPs (standard operating procedures), safety monitoring, risk assessment, organization of admission and discharge of patients with coordination with primary and community care. Beneficiary of the action: eligible hospitals covered by the National plan.</p> <p>Actions co-financed by ERDF will be coordinated with actions co-financed under ESF (9.7.1).</p> <p><u>Under SO 9.1.3 the following actions may be supported:</u></p> <ol style="list-style-type: none"> 1. DEINSTITUTIONALISATION: at the first phase, infrastructural investments needed for the deinstitutionalisation of 31 institutions included in the detailed and already prepared Operational plan accompanying Plan for Deinstitutionalisation will be financed, with the possibility to support additional institutions that will be transformed by building on these experiences in the second part of the financing perspective. Indicative list includes: <ul style="list-style-type: none"> •improving infrastructure of social welfare homes, social welfare centres and other social service providers, such as NGOs (where they are | |

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p>complementary to the needs for deinstitutionalisation process of institutions) regarding the quality of services and infrastructure adjustments for the provision of social services in the community, supporting the process of deinstitutionalization, targeting persons with disabilities, children and youth with behavioural disorders and children and youth without adequate parental care (e.g., adaptation of facilities related to supported housing, day care centres, work centres, adaptation of social welfare centres premises, equipment for new facilities - IT equipment, furniture and other specialised equipment needed for persons with disabilities, purchase of vehicles as a support to the work of mobile teams providing out of institution care and help at home.</p> <p>Through the process of deinstitutionalisation, current long-stay institutions are being transformed into centres for provision of community based services (without long-stay services), or in homes for intensive and long-term care. In addition, institutions that are completely isolated, have inadequate infrastructural conditions and are lacking expert staff will be closed completely and beneficiaries will be directed to other social services providers.</p> <p>Investments through ERDF will be supporting only deinstitutionalisation and transformation of those institutions that will in whole or partly (for example if institution has 2 branches, according to the needs of beneficiaries, one branch can be transformed into centre for provision of only community based services (thus supported through ERDF), and other will be only for long stay (not supported through ERDF) be transformed into Centres for provision of services in the community.</p> <p>This means that the focus of ERDF investments will be on those institutions that have adequate expert staff, are located in communities, are closing their long-stay capacities and are being transformed into centres for provision of community based services such as day stay, home assistance and care, organised living (with and without 24 hour support in apartments) etc., which are lacking in the community and that are needed according to deinstitutionalisation process.</p> <p>2. IMPROVED AVAILABILITY OF COMMUNITY BASED SERVICES:</p> <p>Indicative list of actions includes:</p> <ul style="list-style-type: none"> • construction/reconstruction infrastructure investments particularly in elderly care and through rehabilitation and adaptation of social/public infrastructure (e.g., improved infrastructure of homes for elderly in order to improve the quality of non-institutional and institutional services – adaptations, reconstructions, constructions of homes for elderly, equipment of facilities, purchase of vehicles..); • Infrastructural improvement of shelters for homeless and day centres for homeless (e.g., adaptations and upgrading of existing shelters, adaptation | |

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p>of facilities for the purpose of out of institutions services, for example, day centres, as well as purchase of equipment);</p> <p>These ERDF actions will be accompanied by ESF type of activities, focused on improving access to social services in the community and developing and broadening the network of community based social services in order to ensure the sustainability of the process of deinstitutionalisation (e.g. personal assistance services, day care centres, clubs or mobile teams for persons with disabilities, children and youth with behavioural disorders or without adequate parental care, development of support services regarding organized housing, strengthening family reintegration, development of daily rehabilitation program for de-institutionalized beneficiaries, development of methodology and transformation process of deinstitutionalization, counselling services and helping families, individual and group counselling work with parents and foster parents, counselling services and helping children and young people after leaving institutional care, capacity development regarding new type of services...).</p> <ul style="list-style-type: none"> • reconstruction and adaptation of the existing facilities, with the construction of new infrastructure in exceptional cases, for the purpose of the establishment of the network of Veterans’ centres, and purchase of equipment in line with the mapping of war veterans and victims needs that enables implementation of psychosocial programs for the population. <p>It should be noted that this activity is based on the mapping that was prepared as a part of the study created in 2014. The methodology of identifying potential locations included overall mapping which was carried out based on the needs of targeted population on the basis of data from official records kept by state administration bodies and additional selection criteria such as location development index were included. By the year 2020, it is planned to build/adapt a total of four veteran centres as pilot projects. The whole package represents a pilot phase testing this innovative model on a limited number of locations (up to four). Depending on the success of the pilot projects and availability of funds, some additional projects could be considered at the later phase.</p> <p>Regarding the ESF type of interventions, preventive psychosocial programs such as occupational therapy, participation in cultural entertainment and educational programs and sports recreation will be implemented and they will provide counselling and assistance in areas such as protection of veterans and war victims’ rights, employment, involvement in the work of veterans' cooperatives and entrepreneurship, financial management, stress management etc., which will increase the social inclusion of the target population and active participation in community life.</p> | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p><u>SO 9.1.1:</u></p> <p>Common overall principle for all operations supported under this specific objective is assuring the same quality access to primary care and emergency medical service throughout Croatia for all citizens. Operations selected must directly support achievement of foreseen specific objective and contribute directly to the institutional reform as described in National Health Care Strategy 2012-2020. Support will be granted on the basis of assessment of individual project proposals developed by potential beneficiaries (primary health care providers, Centers for Emergency Medicine, hospitals), according to the guidelines prepared by the Ministry of Health. Each project proposal will be assessed on the basis of quality and compliance with the standards set by the Ministry of Health (<i>Network of Public Health Service (O.G. 101/2012), Network of Emergency Medicine (NN, 71/2012), Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing emergency medical services (O.B. 42/2011), Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing health services (O.B. 061/2011)</i>). Integrated projects showing links with ESF operations (e.g. training of the staff) will be promoted. In selection criteria for ERDF support to emergency medical wards in hospitals, advantage will be given to hospitals providing services to inhabitants of socio-economically deprived areas or in geographically isolated areas, primarily islands. Medical equipment necessary for functioning of beneficiaries' infrastructure will be supported only when clearly connected with the quality of primary care services offered. Detailed criteria will be defined by the MA and approved by the Monitoring Committee.</p> <p><u>SO 9.1.2</u></p> <p>Operations selected must directly support achievement of foreseen specific objective and contribute directly to the institutional reform as described in National Health Care Strategy 2012-2020 and National plan for development of clinical hospital centers, clinical hospitals, clinics and general hospitals in the Republic of Croatia for the period 2014-2016 (National plan). Support will be granted on the basis of assessment of individual project proposals developed by potential beneficiaries (hospitals), according to the guidelines prepared by the Ministry of Health. Each project proposal will be assessed on the basis of quality and compliance with the standards set by the Ministry of Health (<i>National plan for development of clinical hospital centers, clinical hospitals, clinics and general hospitals in the Republic of Croatia for the period 2014-2016, Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing health services (O.B. 061/2011)</i>).</p> | |

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p>Priority will be given to project proposals which:</p> <ul style="list-style-type: none"> • increase accessibility of four targeted vulnerable groups to specialised health care, • increase the quality of medical treatment for four vulnerable groups, • in an integrated manner tackle the issues of health care for 4 vulnerable groups. <p>Regarding actions targeting psychiatric patients, the advantage will be given to hospitals covering areas that are socio-economically deprived, as identified in by the development index. Detailed criteria will be defined by the MA and approved by the Monitoring Committee for the Operational Programme.</p> <p><u>SO 9.1.3</u></p> <p>Operations financed under this specific objectives from ERDF must:</p> <ul style="list-style-type: none"> - be consistent with the objectives of the Plan for Deinstitutionalisation and Transformation of Social Welfare Homes and other Legal Entities Performing Social Welfare Activities in the Republic of Croatia 2011-2016 (2018), as well as with the Plan which will be adopted for the period until 2020 - be consistent with the Operational plans of transformation and deinstitutionalisation of social welfare homes and other legal entities performing social welfare activities in Republic of Croatia - relate to the 31 priority institution in accordance with the Operational plan for the period 2014-2016 - be in accordance with the new Operational Plan which will be adopted for the period 2017-2020 - contribute to the process of deinstitutionalisation through the development and broadening the network of community based social services for all vulnerable groups - contribute to the prevention of institutionalisation | |

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| <p>- demonstrate clear focus on social exclusion and fight against poverty,</p> <p>-demonstrate clear link with operations co-financed under ESF envisaged under the specific objective 9.7.2 of the Operational Programme Effective Human Resources.</p> <p>Project proposals to be implemented in the regions with the lowest development index will be horizontally prioritised by additional scoring in the first stage of financing while poverty mapping (envisaged under SO 9.2.1) is being developed. Detailed criteria will be defined by the MA and approved by the Monitoring Committee for the Operational Programme.</p> | |

2.A.6.3 *Planned use of financial instruments* (where appropriate)

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| No envisaged | |

2.A.6.4 *Planned use of major projects* (where appropriate)

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| Investment priority | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services |
| Not envisaged | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services | | | | | | | |
|---------------------|---|---|------|-------------------------------------|---------------------|---|----------|-------------------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 9a11 | Health care providers receiving support | No. | ERDF | Less developed | | | 470.00 | Ministry of Health, MIS | annually |
| 9a21 | Health care providers receiving support | No. | ERDF | Less developed | | | 30.00 | Ministry of Health | annually |
| 9a31 | Number of constructed/reconstructed and equipped infrastructure units | No. | ERDF | Less developed | | | 1,700.00 | MIS | annually |
| 9a32 | Number of established Veterans' centres | No. | ERDF | Less developed | | | 4.00 | MIS | annually |

2.A.4 Investment priority

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| ID of the investment priority | 9b |
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| ID of the investment priority | 9b |
| Title of the investment priority | Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |

2.A.5 Specific objectives corresponding to the investment priority and expected results

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| ID of the specific objective | 1 |
| Title of the specific objective | Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty |
| Results that the Member States seek to achieve with Union support | <p>Geographical concentration of physical degradation, social exclusion and poverty in Croatia is especially visible in a number of small towns affected by the war located in the areas with the lowest GDP per capita. This is the result brought on by a destructive recent homeland war and various socio-economic factors, in some cases including minority issues. Although Croatia has twenty years of experience in rebuilding devastated towns, the regeneration attempts has delivered limited effects as those had never been implemented in an integrated manner.</p> <p>In adopting a Pilot Project approach, Croatia recognises the critical importance of embedding the learning within central, regional and local institutions and also of formally evaluating successes and failures, so to inform subsequent decisions about continuation and possible roll-out. Croatia has committed itself to develop the national strategic tools and mechanisms required before it embarks upon complex programme of integrated regeneration. While many of the lessons can be learned from activities in other EU countries, in a process such as this, it is critical to “learn by doing”.</p> <p>To help in socio-economic regeneration and tackling deprivation of territories the most affected by poverty and social exclusion as well as with the lack of economic prospects, the pilot set of actions will be realised under this specific objectives in selected small towns:</p> <ul style="list-style-type: none"> • actions allowing for better targeting of intervention, increasing the capacity of authorities involved in the process and supporting the preparation of five local regeneration intervention plans, • actions directly supporting realisation of five pilot local intervention plans with the possible roll-out in a later phase. <p>Integrated intervention plans will be prepared and implemented in five pilot small towns over 10.000 to 35,000 inhabitants in the war affected areas, preselected on basis of the index of multiple deprivation calculated by use of socio-economic data</p> |

available at the municipality level regarding unemployment, demographics, level of education, portion of population on social welfare, with one town that meets criteria of significant Roma minority. Specific focus of intervention plans should be on vulnerable groups with special care taken to secure a social mix and the spatial integration of people.

Assuming a successful completion of the preparatory phase, which will include the preparation and evaluation of 5 pilot areas intervention plans, the subsequent implementation of intervention plans will have 'hard' targets broadly relating to the selected projects' impact on poverty, implemented in complementarity with soft ESF activities as identified in the intervention plans.

There are two major expected results of using ERDF (in complementary manner with ESF) under this specific objective:

- improvement of socio-economic and living conditions in 5 pilot small towns that will decrease further population loss. Package of interventions will result in the regeneration of degraded areas and contribute to the reduction of inequalities, social exclusion and poverty, and
- design and testing of a new model of area based approach to regeneration of deprived areas by tackling geographically concentrated socio-economic deprivation problems.

Later on, the regeneration model may be implemented in other degraded small and medium sized towns with 10,000 to 50,000 inhabitants to be identified based on the poverty mapping.

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 1 - Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty | | | | | | |
|--------------------|--|--|-------------------------------------|----------------|---------------|---------------------|----------------------|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 9b11 | Decrease of the population loss in 5 Pilot areas affected by social, economic and territorial regeneration programme | vitality index | Less developed | 70.70 | 2012 | 72.50 | Project reports, MIS | annually |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| <p><u>Under 9.2.1 following actions may be supported:</u></p> <p>Under this specific objectives two types of actions are planned:</p> <p>1. Preparatory actions allowing for better targeting of intervention, engagement of key local stakeholders in preparation of 5 pilot areas intervention plans, increasing the capacity of local and national authorities as well as the stakeholders involved in the process, the creation of a clear strategic approach to regeneration and supporting the preparation of the integration plans:</p> <ul style="list-style-type: none">· Preparation of poverty mapping and the development of the Index of Multiple Deprivation. <p>Beneficiary of this action will be MRDEUF.</p> <p>Poverty mapping will be done in parallel with the Pilot Projects to precisely define geographical areas most affected by poverty and degradation in order to understand the underlying determinants of poverty in relation to its spatial distribution for possible future roll out.</p> <ul style="list-style-type: none">· Capacity building of public authorities, CSOs and other stakeholders to deal with complex, area-based integrated regeneration issues as well as the technical support to local authorities during the implementation phase (especially for the execution of the public procurement procedures). <p>Beneficiaries of this action will be MRDEUF and the target group is: local authorities, NGOs, CSOs, private companies from selected towns.</p> <p>An important element of the model is also activation of local authorities and partners in order to better target ESIF interventions, elaborated in the</p> | |

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| <p>intervention plans outlining the needs of a specific area.</p> <p>· Preparation of the area-based local investment plans for the regeneration of 5 deprived small towns. Pilot areas towns will be preselected by the MERDEUF using the following objective criteria: size (small towns with 10,000 to 35,000 inhabitants), areas affected by war, low index of multiple deprivation (derived from available data on social status, employment, demographic criteria, education, Roma minority issues, local self-governments' development potential).</p> <p>Beneficiary of this action in the first phase will be five local municipalities of small towns in pilot areas, as well as other stakeholders who will take part in the Intervention plans preparation.</p> <p>Preparation of the evidence-based intervention plans will lead to the creation of a transferrable model to achieve physical, social and economic regeneration of deprived communities in Croatia's urban and rural areas. Depending on the evaluation of effectiveness and efficiency of the intervention plans implementation as well as the availability of funding, it will be possible to prepare intervention plans for more deprived areas, selected in line with the poverty mapping results.</p> <p>2. Implementation of five pilot intervention plans:</p> <p>The local intervention plans, prepared by selected local authorities, should aim at socio-economic and physical regeneration of the given area and include integrated mix of measures contributing to the achievement of the set goals and co-financed by both ERDF and ESF. Intervention plans will be evaluated and approved by the Ministry of Regional Development and EU Funds. Support will be provided in the form of grants for 5 pilot projects in the preselected pilot areas realizing the goals of the targeted deprived areas defined by the investment plans. ERDF funds will create the community and economic infrastructure, necessary to secure sustainability. ESF will be used in an integrated manner to co-finance provision of social, educational, economic and employment- related services necessary for the effective realisation of the intervention plans' objectives.</p> <p>Beneficiaries of this action are local authorities of the pilot areas towns as well as municipal and state institutions, non-governmental organisations, state-financed social and health service providers, non-profit economic and development associations and associations of local governments, small businesses in pilot areas. The main target groups are inhabitants of 5 pilot areas small-towns with emphasis on people with low social status and at risk of social</p> | |

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| <p>exclusion such as returnees and refugees, war veterans, war victims and Roma population.</p> <p>Realisation of five integrated intervention plans prepared by local authorities and evaluated by the MRDEUF to tackle the underlying causes of poverty and social exclusion will be supported both from the ERDF and ESF.</p> <p>Intervention plans may include various regeneration activities in deprived areas, depending on the specific needs identified in a specific area. Indicative list includes:</p> <ul style="list-style-type: none"> · Investments in facilities intended for public use including investments in public spaces and facilities such as public green areas, walking trails, open drainage canals, markets, parking lots, public buildings and facilities used for educational, cultural and recreational purposes in order to establish, improve or expand basic services (construction/reconstruction) · Investments in construction/reconstruction of all types of small-scale basic utilities (such as gas, electricity, water, sanitation); · Construction/reconstruction of uncategorised municipal roads (under the responsibility of local government) including sidewalks, stops for public transport and street lighting; · Construction/reconstruction of existing housing stock in function of social housing as well as the conversion of buildings for social housing and other purposes (including business); · Development and implementation of social housing programmes in cooperation with the local and regional government including state-subsidized construction to be used for social housing tenancy; · In coordination with actions foreseen under SO 9.1.1 investments in basic primary health care infrastructure and equipment; | |

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| <ul style="list-style-type: none"> · Investments in basic social infrastructure regarding the broadening of the network of services in the community (especially regarding elderly care); · Other activities that are needed for the complex development of the infrastructure of smaller towns and village areas (including demolition of buildings and structures that use resources inefficiently and damage the environment); · Construction or renovation of business support facilities connected especially to the ESF support to self-employment, micro-enterprises and social entrepreneurship activities; · Direct support to the creation of start-ups, survival and growth of existing SMEs and business support institutions, specifically tailored to meet the needs and potentials in terms of economic development of selected areas, including higher intensities of support per project coupled with on-going technical assistance, support and mentoring in all stages of business development. | |
| <p>These ERDF type of activities will be implemented in a complementary and integrated manner with the following ESF activities, envisaged under the specific objective 9.4.2 of the Operational Programme Effective Human Resources, such as:</p> | |
| <ul style="list-style-type: none"> · Support to self-employment; · Support to the development of social entrepreneurship; · Broadening the network of community-based health and social services; · Employment and skills related trainings tailored to the needs of vulnerable groups; · Actions aimed to foster employment of youth and facilitate their transition from the educational system into the labour market, including the promotion and outreach activities aimed at youth in general; · Activities enhancing first employment for acquiring work experience especially in fields of social care, education, project management, with | |

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| <p>emphasis on help and assistance in the community, in order to promote youth employment and employability;</p> <ul style="list-style-type: none"> · Investment in youth centres, information centres and youth clubs; · Promotion of labour market and social integration of the vulnerable groups, and combating any form of discrimination; · Provision of support to educational institutions developing and delivering all types and all levels of educational programmes; • Development and implementation of new verified programmes in the fields which are of strategic importance for Croatia, development and implementation of priority programmes of formal and non-formal learning. <p>During the implementation of the Pilot projects the regeneration model will be tested and capacity will be developed. It will lead to the creation of a transferrable model to achieve physical, social and economic regeneration of deprived Croatia's urban and rural areas. An important element of the model is also activation of local authorities and partners in order to better target ESIF interventions.</p> <p>Later on further roll-out of the regeneration model is possible, depending on the available funds and positive external evaluation of the pilot projects' implementation results. The roll out of regeneration model may be implemented in other degraded small and medium sized towns with 10,000 to 50,000 inhabitants to be identified based on the poverty mapping. The possible roll out includes the preparation of the intervention plans for at least further 5 degraded small and medium sized towns.</p> <p>In the process of development and implementation of the physical, social and economic regeneration programme, non-discrimination principles have been and will be taken into account including not allowing new segregation in the areas of interventions. Equal opportunities and non-discrimination principles will be applied with special focus on minorities and other vulnerable groups - especially Serb returnees and refugees and Roma, Homeland veterans and their families as well as war victims as vulnerable groups with high concentration in the areas of planned interventions. This includes means of positive action measures and activities targeted to support the particular vulnerable groups.</p> | |

2.A.6.2 Guiding principles for selection of operations

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| <p>Common overall principle for all operations supported in five pilot small towns is to contribute to the socio-economic regeneration of the towns concerned. The operations selected in the intervention plans will be evaluated by external evaluators (ex-ante evaluation).</p> <p>Operations financed under this specific objectives from ERDF will selected on the basis of the following criteria:</p> <ul style="list-style-type: none">· compliance with approved intervention plans,· support to socio-economic activation of inhabitants,· contribution to the reduction of social exclusion and fight against poverty,· improvement of the quality of degraded physical infrastructure in the targeted areas,· coordination and synergy with projects realised in five pilot towns under other specific objectives,· demonstrate clear link with operations co-financed under ESF envisaged under the specific objective 9.4.2 of the Operational Programme Effective Human Resources. <p>Priority will be given to projects dealing with the problems of vulnerable groups, especially refugees, internally displaced persons, returnees, Homeland war veterans, war victims and Roma minority. Participation of CSOs and other non-public authorities in preparation and realisation of projects will be promoted.</p> <p>Activities which belong to the preparation of the investment plans and their evaluation and capacity building activities, as well as the preparation of poverty mapping will be contracted by the Ministry of Regional Development and EU Funds through open procurement procedure as MA.</p> <p>Detailed criteria will be defined by the MA and approved by the Monitoring Committee for the Operational Programme.</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| Not envisaged. | |

2.A.6.4 Planned use of major projects (where appropriate)

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| Investment priority | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |
| Not envisaged. | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas | | | | | | | |
|----------------------------|---|---|-------------|--|----------------------------|----------|----------|-----------------------|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| CO01 | Productive investment: Number of enterprises | Enterprises | ERDF | Less developed | | | 0.00 | MIS, project reports | to be defined later |

| Investment priority | | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas | | | | | | | |
|---------------------|---|--|------|-------------------------------------|---------------------|---|------|----------------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | receiving support | | | | | | | | |
| 9b11 | Number of intervention plans prepared and implemented | No. | ERDF | Less developed | | | 5.00 | MIS, project reports | to be defined later |
| 9b12 | Rehabilitated or newly constructed housing units | m2/number of units | ERDF | Less developed | | | 0.00 | MIS, project reports | to be defined later |
| 9b13 | Constructed or rehabilitated infrastructure | Number of units | ERDF | Less developed | | | 0.00 | MIS, project reports | to be defined later |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 8 - Social Inclusion and Health |
|---------------|---------------------------------|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 8 - Social Inclusion and Health | | | | | | | |
|---------------|-----------|---------------------------------|-------------------------|------|-------------|--------------------|---------------------|----------------|--|
| ID | Indicator | Indicator or key | Measurement unit, where | Fund | Category of | Milestone for 2018 | Final target (2023) | Source of data | Explanation of relevance of indicator, |
| | | | | | | | | | |

| Priority axis | | 8 - Social Inclusion and Health | | | | | | | | | | | |
|---------------|-----------|---|-------------------------|------|----------------|--------------------|---|---------------|---------------------|---|----------------|----------------|---|
| ID | Indicator | Indicator or key | Measurement unit, where | Fund | Category of | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, |
| | type | implementation step | appropriate | | region | M | W | T | M | W | T | | where appropriate |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 96,929,702.00 | | | 442,941,176.00 | MoF | The milestone presents N+3 rule for the PA excluding 6% performance reserve (i.e. total funding allocations for 2014 and 2015 net of 6%). |
| 9a21 | O | Health care providers receiving support | No. | ERDF | Less developed | | | 5 | | | 30.00 | MIS | Two output indicators are selected since they cover majority of resources under Priority axis 8. More specifically the specific objectives of the PA dedicated to the health sector and social services cover more than 57% of the total PA allocation. |
| 9a31 | O | Number of constructed/reconstructed and equipped infrastructure units | No. | ERDF | Less developed | | | 400 | | | 1,700.00 | MIS | Two output indicators are selected since they cover majority of resources under Priority axis 8. More specifically the specific objectives of the PA dedicated to the health sector and social services cover more than 57% of the total PA allocation. |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 8 - Social Inclusion and Health | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 001. Generic productive investment in small and medium –sized enterprises ('SMEs') | 20,000,000.00 |
| ERDF | Less developed | 053. Health infrastructure | 150,000,000.00 |
| ERDF | Less developed | 054. Housing infrastructure | 25,000,000.00 |
| ERDF | Less developed | 055. Other social infrastructure contributing to regional and local development | 174,500,000.00 |
| ERDF | Less developed | 121. Preparation, implementation, monitoring and inspection | 7,000,000.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 8 - Social Inclusion and Health | |
|---------------|--------------------|---------------------------------|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Non-repayable grant | 376,500,000.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 8 - Social Inclusion and Health | |
|---------------|--------------------|--|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 02. Small Urban areas (intermediate density >5 000 population) | 100,000,000.00 |
| ERDF | Less developed | 07. Not applicable | 276,500,000.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | | 8 - Social Inclusion and Health | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Integrated Territorial Investment – Urban | 20,000,000.00 |
| ERDF | Less developed | 07. Not applicable | 356,500,000.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| Priority axis | | 8 - Social Inclusion and Health | |
|---------------|--------------------|---------------------------------|----------|
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| Priority axis: | 8 - Social Inclusion and Health |
|---|---------------------------------|
| <p>Under the specific objectives 9.1.1 and 9.1.2, it is also needed to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for investments in health equipment and infrastructure. Public and private health care providers don't have the needed capacity and skills to prepare high quality infrastructure project documentation with all the accompanying technical documentation by themselves in order to apply and receive the funding for infrastructural investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.</p> <p>Under the specific objective 9.1.3, it is also needed to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for investments in social care equipment and infrastructure. Public and private social care providers don't have the needed capacity and skills to prepare high quality infrastructure project documentation with all the accompanying technical documentation by themselves in order to apply and receive the funding for infrastructural investments. With this action timely and efficient management of infrastructural</p> | |

projects in period 2014-2020 will be ensured.

Under the specific objective 9.2.1, it is also needed to provide support for enhancing the capacity of potential beneficiaries in preparing Intervention plans as well as high quality projects to be able to receive the support from ERDF for the planned investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.

2.A.1 Priority axis

| | |
|-----------------------------------|---|
| ID of the priority axis | 9 |
| Title of the priority axis | Education, Skills and Lifelong Learning |

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

2.A.3 Fund, category of region and calculation basis for Union support

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) | Category of region for outermost regions and northern sparsely populated regions (where applicable) |
|-------------|---------------------------|--|--|
| ERDF | Less developed | Total | |

2.A.4 Investment priority

| | |
|---|---|
| ID of the investment priority | 10a |
| Title of the investment priority | Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |

2.A.5 Specific objectives corresponding to the investment priority and expected results

| | |
|--|--|
| ID of the specific objective | 1 |
| Title of the specific objective | To develop digitally mature schools ready to use the potential of ICT in education and development of 21st century skills needed on the job market |
| Results that the Member States seek to achieve with Union support | <p>Main objectives of reform in education and training at all levels are aimed at modernizing learning outcome based curricula and the development of key and transversal competences for the 21st century skills learning.</p> <p>Intervention under this SO will be focused on increasing digital competences of both teachers and students through implementation of E-schools project by equipping primary and secondary schools with appropriate LANs (Constructing local Internet networks in schools (targeted school locations) and procurement of specialized equipment for teachers and learners as well as other ICT related equipment. E-Schools” project is a complex, multi-purpose project that will result in the complete informatization of administration and teaching and learning within schools in order to ensure that a vast majority of Croatian public funded schools become digitally mature (e-mature) by 2022. CARNet will lead the implementation of a joint and coordinated national project under the name of “e-Schools” in the period from 2016 to 2022. E-Schools are digitally mature schools, connected to ultra-fast Internet, highly equipped with adequate ICT, with a high level of informatization of business and education processes. Teachers attending these schools are digitally competent and pupils are taught and encouraged to become digitally competent themselves. Both of these groups use ICT in education on daily basis, including, but not restricted to, education applications and digital education resources, thus supporting that pupils of today to become competitive workers on the job markets of tomorrow.</p> <p>Purpose of the investment is to support the development of digitally competent pupils, ready either to become proactive, competitive participants of a joint European labour market, or to progress onwards to higher education. Goal is to enable the development of e-mature schools through informatisation of school administration, as well as teaching and learning within the school.</p> <p>Policies and actions at infrastructure level are needed to enable the large majority of students, at all grades, to be in e-mature schools. Increasing students’ ICT-based activities during lessons, and as a consequence their digital competence, strongly needs to be boosted. Policies and actions to support a quantitative and qualitative increase in teacher professional development are probably the most efficient ways to obtain results in this area; however preconditions are to equip schools with adequate</p> |

| | |
|--|--|
| | <p>ICT equipment and to provide schools to adequate broadband access to Internet.</p> <p>In this way it will be ensured the fulfilment of the Economic Programme of the Government of the Republic of Croatia 2013, which highlights the need for education system to be better aligned with the needs of labour market and which clearly states that in order to achieve this goal further informatisation of education system is needed.</p> |
| ID of the specific objective | 2 |
| Title of the specific objective | Modernization and improvement of accommodation infrastructure in higher education to improve access and completion for students with poor socio-economic status |
| Results that the Member States seek to achieve with Union support | <p>It is among the overall objectives of the Croatian (draft) Strategy for Education, Science and Technology to ensure increased access to higher education and to improve quality and relevance of higher education programmes. Several studies have suggested that only 59% of total students enrolled in HEIs in Croatia successfully complete their studies, while 41% of students drop out of studies, mostly in the early stages of study. Preliminary analysis shows that one of the main reasons for dropping out is insufficient resources to study. It is suggested, by relevant studies, that 20% of students should have available accommodation in dormitories. The ratio of students accommodated in dormitories in Croatia is 6.69% which is far below recommended. Depending on the location, between 50% -75% of students in Croatia who apply for accommodation are rejected every year and 31% of all students are subtenants. EUROSTUDENT research shows that almost half of the total of students' expenses are related to accommodation and costs of living (food, clothes, other), despite the fact that the Croatian student financial support system is aimed at alleviating these costs through subsidies High living expenses are a great obstacle especially for potential students coming from smaller towns and rural parts of Croatia, which then choose not to study what they are interested in, but what is cheaper, closer and more available, or worse, choose to abandon their education altogether. This directly affects youth employability and the decrease of people within tertiary education. It is very difficult to attract talents when the institutions cannot offer the basic infrastructure people need for their studies. Also, some would-be students cannot afford to study while many high-quality potential students cannot chose their university according to the quality of studies or what would be the best fit for their talents and study programme offered. This directly affects the economy and leads to the vicious circle of high youth unemployment. Furthermore, lower accommodation costs for students from disadvantaged groups impact the need for students to work during their studies and in that way may reduce the threat of dropping out or prolonging their studies. This influences the drop-out rates and should have and positive effect on the national headline target regarding HE. Current criteria for student accommodation in dormitories are already need based but also merit based, in fact,</p> |

| | |
|--|--|
| | <p>each student has to prove achievement of certain number of ECTS credits in previous academic year</p> <p>Therefore, since an insufficient number of student dormitories are an important obstacle to the access to HE, enlarged capacities of student dormitories will decrease the cost of studying and consequently, allow for increased access to higher education more particularly for those from disadvantaged groups. Strategic orientation of the Republic of Croatia to the access and quality of HE has been justified by investments into the construction of infrastructure facilities for higher education institutions during the period 2012-2018 :</p> <ul style="list-style-type: none"> • 153 MEUR through commercial loans, • 61 MEUR through own resources and directly from State Budget |
| ID of the specific objective | 3 |
| Title of the specific objective | Increasing relevance of vocational education by improving the conditions for the acquisition of practical skills in targeted sectors of vocational education and vocational education at the level of HE |
| Results that the Member States seek to achieve with Union support | <p>Targeted infrastructural investment will focus on establishing regional centres of competences in specific vocational sectors. In other words, establishment of network of sufficiently equipped vocational schools accompanied with the high level of expertise among vocational teachers/mentors will be priority investment field. Centres of competences will be a part of the regionally distributed network of sufficiently equipped vocational schools in targeted sectors accompanied with the high level of expertise among vocational teachers/mentors aimed to facilitate further development and harmonization of the education system to the labour market at regional level. This network will facilitate further development and harmonization of the education system to the labour market at regional level. Specifically, the centres shall provide possibilities for education and competences' and skills' acquisition through the partnership with educational, economic and civil sectors primarily from regional level but also cooperating internationally with the similar centres in the European Union. Therefore, ERDF funds will support the process of setting up the network of regionally distributed centres of competences in the agriculture, mechanical engineering, tourism –hospitality, electro technics and information technology and healthcare technology sectors (already existing VET schools net providing work-based learning; lifelong learning; developed cooperation with universities and other VET schools, with employment services; partnership with companies; social inclusion; transnational mobility of VET students; multipurpose attractive VET centres). The regional centres of competences will be established following the principles of applying innovative teaching methods (including organization of practical trainings in controlled environment),</p> |

| | |
|--|---|
| | <p>through the collaboration with employers and social partners, by respecting the needs of regional labour market and insisting on the excellence of teachers / trainers / mentors. Their tasks will be, in addition to regular tasks within the formal vocational education, the organization of targeted/thematic in-service trainings for education professionals (vocational teachers and mentors), organization of flexible and continuous education of employees of small/medium enterprise's operating at local level (raising the level of professional competence of employees – acquiring of partial qualifications), raising the level of knowledge and competence of unemployed by providing short training programs (targeted programs within the adult education). The added value of the work of these centres will be their ability to implement specific tailor made programs for disabled people / students with disabilities (acquisition of practical skills in adequate conditions to suit their functional abilities).</p> |
|--|---|

Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)

| Specific objective | | 1 - To develop digitally mature schools ready to use the potential of ICT in education and development of 21st century skills needed on the job market | | | | | | |
|--------------------|---|--|-------------------------------------|----------------|---------------|---------------------|---|------------------------|
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 10a11 | Percentage of schools with raised level of digital maturity in Resources and Infrastructure segment | % | Less developed | 10.00 | 2014 | 75.00 | DMS -Digital maturity System, CARNet, project reports | annually |
| Specific objective | | 2 - Modernization and improvement of accommodation infrastructure in higher education to improve access and completion for students with poor socio-economic status | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 10a21 | Increased share of available accommodation in student dormitories | % | Less developed | 6.69 | 2014 | 10.00 | Ministry of Science, Education and Sport | to be defined |
| 10a22 | Increased share of VET students enrolled in HE | % | Less developed | 60.70 | 2014 | 70.00 | Ministry of Science, Education and Sport | to be defined |
| Specific objective | | 3 - Increasing relevance of vocational education by improving the conditions for the acquisition of practical skills in targeted sectors of vocational education and vocational education at the level of HE | | | | | | |
| ID | Indicator | Measurement unit | Category of region (where relevant) | Baseline value | Baseline year | Target value (2023) | Source of data | Frequency of reporting |
| 10a31 | Percentage of students who finished education in regional centres of competences and end up employed in a job that matches their field of study | % | Less developed | 0.00 | 2014 | 20.00 | MIS, ex post evaluation report | to be defined later |

2.A.6 Action to be supported under the investment priority (by investment priority)

2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

| | |
|--|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| <u>Examples of actions to be financed under SO 10.1.1:</u> | |
| <ul style="list-style-type: none">• Large-scale procurement of ICT equipment for primary and secondary schools (procurement of ICT equipment for teaching and learning, namely for teachers and for classrooms);• Equipping primary and secondary schools with appropriate LANs (Constructing local Internet networks in schools (targeted school locations)– support to implementation of national E-schools project• Deployed data centres ready to absorb the increased demand for e-service and e-content in the school cloud | |
| <p>These activities will be piloted in 10% of all Croatian primary and secondary schools in order to test and determine the best ways of achieving planned outcomes. Accordingly, future activities will be influenced based on the results of the pilot activities, enabling changes in activities and approaches in the roll out of the major project. Pilot project will also serve CARNet, its' partners in the project, as well as the ministry and project users, as an invaluable experience and capacity building practice preceding the implementation of the major project.</p> | |
| <p>In relation to ensuring complementarity with above mentioned ERDF type of activities particular support to general education system will be provided through ESF, namely OP EHR, IP 10.3 (i.e. development of digital educational materials, tools and methods as well as organizational models supporting their use on a national level in both primary and secondary schools integrated with the national curricula; development of digital competences of school teachers, headmasters and expert staff, specifically in the context of using ICT for teaching and learning and systemic support to schools and individual teachers and school leaders in introducing ICT in teaching and learning).</p> | |
| <p>Beneficiaries: Croatian Academic Research Network, primary and secondary schools,</p> | |

| | |
|--|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| Target groups: -School staff (psychologists, pedagogues etc.) and managerial staff, teachers, students | |
| <p><u>Examples of actions to be financed under SO 10.1.2:</u></p> | |
| <p>Completion of commenced construction of student dormitories and building of new ones according to the corresponding feasibility studies aiming at providing accommodation for students with poor socio-economic status and students with disabilities.</p> | |
| <p>Target groups: <i>students</i></p> | |
| <p>Beneficiaries: <i>Higher education institutions</i></p> | |
| <p>In combination with actions that are envisaged under the ESF (OP EHR, IP 10.3) are focused on providing support for state scholarships and measures proposed and implemented by the HEI's that would include introduction of remedial courses and offering good quality academic and career guidance , the specific objective of increasing access and completion of higher education will be achieved.</p> | |
| <p><u>Examples of actions to be financed under SO 10.1.3:</u></p> | |
| <ul style="list-style-type: none"> • Reconstruction, renovation and adaptation of VET institutions in targeted sectors for provision of modern and high quality education and training and procurement of specialised equipment for those institutions (workshops, laboratories, modern technologies, sector relevant developments such as tools, machinery etc.; ITC, specialised didactical and pedagogical equipment, transformation and refurbishment of the premises, joint facilities shared by VET schools and companies/local communities - centres of competences) • Equipping VET institutions for school based practical classes to improve educational standards for students as well as their future prospects at competitive labour market • Renovations and adaptation of VET providers to increase accessibility with a purpose of higher social inclusion (students with disabilities) | |

| | |
|---|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| <ul style="list-style-type: none"> • Equipping VET providers for development of innovations, promotion of knowledge and LLL <p>The establishment and equipping of regional centres of competences will be ruled by the specific selection criteria prepared in the process of tender documentation preparation. Here are just a few factors which will rule the process of preparing selection criteria: demographic trends in each county, geographical characteristics, availability of centres (a level of infrastructure connection), needs of economy, cooperation with the local community (a dimension of ownership), the number of primary schools gravitating to centres, unemployment/employment rate at regional labour market etc.</p> <p>Establishment of centres of competences will be complementary investment to support comprehensive VET curricular reform planned to be implemented under OP ESF, IP 10.4. The goals of both investments are aimed at allowing flexibility towards labour market needs. The reformed curricula will enable students to participate directly in the labour market without further need for additional training and job induction. An integral part and the prerequisite for successful implementation of curricular reform is targeted infrastructural investment.</p> <p>Beneficiaries: vocational education and training schools, polytechnic and school of professional higher education as institutions that organise and implement professional studies.</p> <p>Target groups: -School staff and managerial staff in vocational education institutions; teachers and trainers, students, employees in SMEs, craftsmen, employees in crafts, unemployed, vulnerable groups where possible</p> | |

2.A.6.2 Guiding principles for selection of operations

| | |
|---|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| <u>Guiding principles for SO 10.1.1:</u> | |

| | |
|--|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| <p>Common overall principle for all operations supported through e-School pilot and major project is to contribute to improving the digital maturity of the Croatian schools by fostering innovation in school system on the level of technology, pedagogy and organization, from top-down (policies and financial leverage) and bottom-up (OER developed by teachers, ICT in teaching practices in the classroom) approach. This principle will enable teachers and, consequently, pupils to develop skills needed for active participation in the labour market and/or academic fields of 21st century. The operations selected in the Pilot intervention plan will be evaluated by external independent evaluators (ex-ante evaluation). Intervention areas planned within e-Schools are Teaching practice, Learning practice, Curriculum&content, Infrastructure, Organization, Connectedness (as proposed in “Mainstreaming ICT-enabled Innovation in Education and Training in Europe”. Policy actions for sustainability, scalability and impact at system level. Brečko, B.N., Kampylis, P., Punie, Y., 2014)</p> <p>All operations financed under this specific objectives from ERDF must:</p> <ul style="list-style-type: none"> • comply with approved intervention plans, • demonstrate clear focus on: <ul style="list-style-type: none"> o innovative pedagogies supported by ICT in the areas of teaching practices, learning practices and content & curricula, o optimization of school administration processes through ICT, innovating and fostering change in the intervention areas of organization, leadership & values and connectedness o education and support to teachers as change agents and facilitators of innovation in teaching/learning processes supported by ICT • result in higher level of quality of education system on the ground, namely in <ul style="list-style-type: none"> o changed teaching and learning practices supported by the use of ICT, with enhanced achievement of formal learning outcomes and development of 21st century skills o transparent and effective school administration supported by ICT | |

| | |
|--|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| <p data-bbox="226 260 1912 296">o supported community of digitally competent teachers, leaders of innovation in developing 21st century skills in their pupils</p> <ul data-bbox="147 336 2029 480" style="list-style-type: none"> <li data-bbox="147 336 1697 373">• secure clear link and continuous impact of activities between pilot e-Schools project and major e-Schools project, <li data-bbox="147 408 2029 480">• demonstrate clear link with operations co-financed under ESF envisaged under the specific objective 10.3.2. of the Operational Programme Effective Human Resources. <p data-bbox="147 596 2119 703">E-Schools priority activities in ERDF Operational Programme are in the area of infrastructure, organization, leadership & values and connectedness, enhancing equal and ubiquitous ICT access to teachers and pupils in schools. Together with ESF part of the project (teaching practices, learning practices, content & curricula, connectedness), both parts feed the goal of the development of digitally mature schools is achieved.</p> <p data-bbox="147 746 2107 890">Activities which belong to the preparation of the e-Schools (feasibility study for pilot and major project, implementation plan for pilot project, evaluation plan for pilot project) will be developed by CARNet and project partners, as well as school founders, as main local partners, and in coordination with Ministry of Science, Education and Sports. Evaluation of the pilot will be contracted by Ministry of Science, Education and Sports to the external independent evaluator.</p> <p data-bbox="147 1002 607 1038"><u>Guiding principles for SO 10.1.2:</u></p> <p data-bbox="147 1078 2119 1222">With the overall objective to increase access to HE, and most particularly for disadvantaged groups, the infrastructure projects in HE are focused on construction of dormitories. The guiding principles in defining priority projects will be set up on the basis of two sets of criteria. Firstly, those universities that have lower ration of students accommodated in dormitories than recommended will be defined as priority. Secondly priority will be given to construction of dormitories in less developed areas with the objective to attract more students with lower socio-economic background.</p> | |

| | |
|---|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| <u>Guiding principles for SO 10.1.3:</u> | |
| <p>The establishment and equipping centres of competences will be linked to the following factors:</p> <ul style="list-style-type: none"> - demographic trends in each county - geographical characteristic - level of infrastructure connection, - needs of economy, - number of primary schools gravitating to centres. <p>The overall principle for the selection of operations will be based on applying innovative teaching methods (including organization of practical trainings in controlled environment) through collaboration with employers and social partners, respecting the needs of regional labour market and insisting on the excellence of teachers / trainers / mentors as well as complementarity with VET curricular reform which aim is to enable students to participate directly into the labour market.</p> | |

2.A.6.3 Planned use of financial instruments (where appropriate)

| | |
|----------------------------|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| Not envisaged. | |

2.A.6.4 Planned use of major projects (where appropriate)

| | |
|--|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| <p>Major project “E-SCHOOLS” is planned in synergy with ERDF investments planned under T02 and ESF investments under T010.</p> <p>The project envisages the complete informatisation of administration, teaching and learning within schools in order to ensure that a vast majority of Croatian public funded schools become digitally mature (e-mature) by 2022, in accordance with Digital Agenda for Europe, and Republic of Croatia’s Strategy on Education as well as in line with the national Strategy for Broadband Development in the Republic of Croatia 2012-2015. Digitally competent teachers and pupils use ICT in education on daily basis, including, but not restricted to, administrative e-services and e-services for teaching and learning, thus ensuring that pupils of today become competitive workers on the job markets of tomorrow. E-Schools project is planned to consists of two subprojects:</p> <ol style="list-style-type: none">1. Pilot project, lasting throughout 2015/16-172. Major project, 2019-2022 <p>Pilot project will involve all the segments of the major e-Schools project, while covering only 10% of Croatian primary and secondary schools. This approach will allow CARNet, as well as ministry, to pilot the project in order to ensure best practices observed within pilot project to be implemented in a major project. Pilot project will involve continuous evaluation of internal and external experts which will point out the weaknesses and strengths of the project, in order to ensure that the major project addresses relevant issues in a most feasible way within the process of informatization of Croatian schools.</p> <p>Planned interventions within T010 will include equipping primary and secondary schools with appropriate LANs (Constructing local Internet networks in schools (targeted school locations) and connecting schools to ultra-fast Internet) and procurement of specialized equipment for teachers and learners as well as other ICT related equipment.</p> <p>This project should result with overall education system digital coverage. Indicative value of this project is close to 160 mil EUR (1.2 billion KN) so in order to achieve the goals proposed with this project besides national, additional funding is crucial.</p> <p>Investment in “E-schools” is also planned through the ESF (OP EHR, IP 10.3) by development of digital educational materials, tools and methods as well</p> | |

| | |
|--|---|
| Investment priority | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |
| as organizational models supporting their use on a national level in both primary and secondary schools, integrated with the national curricula; development of digital competences of school teachers, headmasters and expert staff, specifically in the context of using ICT for teaching and learning and systemic support to schools and individual teachers and school leaders in introducing ICT in teaching and learning. | |

2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

Table 5: Common and programme-specific output indicators (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

| Investment priority | | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure | | | | | | | |
|----------------------------|---|--|-------------|--|----------------------------|----------|----------|-----------------------|-------------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| 10a11 | Number of primary schools equipped with ICT equipment | number | ERDF | Less developed | | | 40.00 | MIS | anually |
| 10a21 | Number of student dormitories reconstructed / built | number | ERDF | Less developed | | | 4.00 | MIS | annually |
| 10a31 | Number of VET institutions equipped with specialized equipment and modern | number | ERDF | Less developed | | | 20.00 | MIS | annually |

| Investment priority | | 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure | | | | | | | |
|---------------------|--------------|---|------|-------------------------------------|---------------------|---|---|----------------|------------------------|
| ID | Indicator | Measurement unit | Fund | Category of region (where relevant) | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | | | M | W | T | | |
| | technologies | | | | | | | | |

2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

| Priority axis | 9 - Education, Skills and Lifelong Learning |
|---------------|---|
| | |

2.A.8 Performance framework

Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)

| Priority axis | | 9 - Education, Skills and Lifelong Learning | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|---|------------|---------------------|---|----------------|---------------------|---|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, where appropriate |
| | | | | | | M | W | T | M | W | T | | |
| PF31 | F | Total amount of certified expenditure eligible expenditure | MEUR | ERDF | Less developed | | | 66,914,913 | | | 305,782,107.00 | Ministry of Finance | The milestone presents N+3 rule for the PA excluding 6% performance reserve (i.e. total funding allocations for 2014 and 2015 net of 6%). |
| 10a21 | O | Number of student dormitories reconstructed / built | number | ERDF | Less developed | | | 0 | | | 4.00 | MIS | Two output indicators are selected since they cover majority of resources under Priority axis 9. More specifically the specific objectives of the PA dedicated to the HE sector and digitally mature schools cover more than 64% of the |

| Priority axis | | 9 - Education, Skills and Lifelong Learning | | | | | | | | | | | |
|---------------|----------------|--|-------------------------------------|------|--------------------|--------------------|--|------|---------------------|--|--------|----------------|--|
| ID | Indicator type | Indicator or key implementation step | Measurement unit, where appropriate | Fund | Category of region | Milestone for 2018 | | | Final target (2023) | | | Source of data | Explanation of relevance of indicator, total allocation to PA 9. |
| 10a31 | O | Number of VET institutions equipped with specialized equipment and modern technologies | number | ERDF | Less developed | | | 5.00 | | | 20.00 | MIS | Two output indicators are selected since they cover majority of resources under Priority axis 9. More specifically the specific objectives of the PA dedicated to the HE sector and digitally mature schools cover more than 64% of the total allocation to PA 9. Key implementation step is defined taking into account that such interventions in public sector are extremely demanding and complex. |
| 10.3 | I | Works started on percentage of selected locations | % | ERDF | Less developed | | | 50 | | | 100.00 | MIS | Two output indicators are selected since they cover majority of resources under Priority axis 9. More specifically the specific objectives of the PA dedicated to the HE sector and digitally mature schools cover more than 64% of the total allocation to PA 9. Key implementation step is defined taking into account that such interventions in public sector are extremely demanding and complex. |

Additional qualitative information on the establishment of the performance framework

2.A.9 Categories of intervention

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 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

| Priority axis | | 9 - Education, Skills and Lifelong Learning | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 048. ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; also where embedded in other infrastructure such as research facilities, environmental and social infrastructure) | 91,914,791.00 |
| ERDF | Less developed | 049. Education infrastructure for tertiary education | 105,000,000.00 |
| ERDF | Less developed | 050. Education infrastructure for vocational education and training and adult learning | 63,000,000.00 |

Table 8: Dimension 2 - Form of finance

| Priority axis | | 9 - Education, Skills and Lifelong Learning | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 01. Non-repayable grant | 259,914,791.00 |

Table 9: Dimension 3 - Territory type

| Priority axis | | 9 - Education, Skills and Lifelong Learning | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € amount |
| ERDF | Less developed | 07. Not applicable | 259,914,791.00 |

Table 10: Dimension 4 - Territorial delivery mechanisms

| Priority axis | | 9 - Education, Skills and Lifelong Learning | |
|---------------|--|---|--|
| | | | |

| Fund | Category of region | Code | € amount |
|------|--------------------|--------------------|----------------|
| ERDF | Less developed | 07. Not applicable | 259,914,791.00 |

Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)

| Priority axis | 9 - Education, Skills and Lifelong Learning | | |
|---------------|---|------|----------|
| Fund | Category of region | Code | € amount |

2.A.10 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 (where appropriate) (by priority axis)

| Priority axis: | 9 - Education, Skills and Lifelong Learning |
|--|---|
| <p>Under the specific objective 10.1.1, 10.1.2 and 10.1.3, it is crucial to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for investments in educational equipment and infrastructure. Envisaged beneficiaries do not have the needed capacity and skills to prepare high quality infrastructure project documentation with all the accompanying technical documentation by themselves in order to apply and receive the funding for infrastructural investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.</p> | |

2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

2.B.1 Priority axis

| | |
|-----------------------------------|----------------------|
| ID of the priority axis | 10 |
| Title of the priority axis | Technical Assistance |

2.B.2 Justification for establishing a priority axis covering more than one category of region (where applicable)

2.B.3 Fund and category of region

| Fund | Category of region | Calculation basis (total eligible expenditure or eligible public expenditure) |
|-------------|---------------------------|--|
| ERDF | Less developed | Total |

2.B.4 Specific objectives and expected results

| ID | Specific objective | Results that the Member States seek to achieve with Union support |
|-----------|--|---|
| TA1 | Effective coordination and utilization of Cohesion policy funds in Croatia ensured | <p>Overall strengthening of the capacities for management, preparation, evaluation and control (including activities supporting anticorruption and antifraud) of the OP is essential condition for successful implementation of OP and thus reaching the objectives set up under each priority axis and contributing to achieving targets set up in strategic documents.</p> <p>TA priority axis will finance bodies in the management and control system for the OPCC (Managing authority and Intermediate body levels 1 (IB1) and 2 (IB2)), as well as the horizontal bodies working on</p> |

| ID | Specific objective | Results that the Member States seek to achieve with Union support |
|----|--------------------|--|
| | | <p>both Cohesion policy OPs (Coordination Body, Certifying Authority, bodies in AFCOS network, Independent Audit Body and Audit Authority) and the Management structure for the Integrated Territorial Investment (ITI). It will also finance public bodies that cover areas of public procurement (Ministry of Economy – Directorate for public procurement) and state aid (Ministry of Finance – Service for state aid) which are important to facilitate absorption and impact of ESI funds, but which are not directly involved in the management structure.</p> <p>Some of the IB1 and IB2 do not have proper experience in the preparation and implementation of the EU funds therefore particular attention will be given to strengthening of their capacities.</p> <p>In case when particular experience is not available in the management and control system (indicative list might include where relevant: legal expertise, IT system development and maintenance, running archive systems, accounting services, construction expertise) those services will be outsourced. Education and trainings system will be developed on the basis of need assessment and will be implemented on all levels of programme implementation depending on the level of expertise needed for carrying out particular tasks.</p> <p>Having in mind that need for coordination activities is twofold, first among OPs and second within OP due to a larger number of institutions that will be involved as IB1 and IB2, coordination role of the Managing Authority (MA) will be further strengthened.</p> <p>Capacity of the project beneficiaries, including the regional level, will be strengthened through capacity building activities that will encounter at least: project preparation and application, public procurement and implementation, monitoring as well as communication and publicity.</p> <p>Strengthening of the regional and local level capacities thus forming preconditions for efficient use of funds that are available under Operational programme for Competitiveness and Cohesion is one of the priorities of Croatia. So far according to experience regional and local level showed lack of critical mass that can ensure sufficient number of project proposals that are ready to be implemented in short time of</p> |

| ID | Specific objective | Results that the Member States seek to achieve with Union support |
|----|--------------------|--|
| | | <p>period for the announced calls for proposal. Regional development agencies, local and regional level authorities, as well as Chambers of economy and other potential participants to Publicity Officers Network (PON) network (intended to ensure coordinated and simultaneous dissemination of OP related information but also to provide first level technical support to potential beneficiaries), will ensure support in strengthening those capacities with the support from TA priority axis.</p> <p>Project pipeline activities for all except for regional and local level are not considered as eligible activity within this specific objective as they will be financed under TA within each specific objective.</p> |

2.B.5 Result indicators

Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)

| Priority axis | | TA1 - Effective coordination and utilization of Cohesion policy funds in Croatia ensured | | | | | | | | | |
|---------------|-----------------------|--|----------------|---|-------|---------------|---------------------|---|-------|----------------|------------------------|
| ID | Indicator | Measurement unit | Baseline value | | | Baseline year | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | M | W | T | | M | W | T | | |
| TA1.1 | OPCC funds contracted | % | | | 14.00 | 2013 | | | 90.00 | MIS | Annually |

2.B.4 Specific objectives and expected results

| ID | Specific objective | Results that the Member States seek to achieve with Union support |
|-----|--|---|
| TA2 | Potential beneficiaries and general public effectively | Information, communication and visibility are an integral part in the successful absorption and efficient |

| ID | Specific objective | Results that the Member States seek to achieve with Union support |
|----|--|---|
| | informed on the ESI funds implementation | <p>use of ESI funds since it depends to the large extent on the comprehension of this particular theme from the side of broad public. Results that are planned would include at least achievements in terms of broader information campaign compared to those carried out in the 2007-2013 period, informing/promoting financing opportunities, throughout organization of specialized events for potential applicants and/or project promoters to increase their comprehension and knowledge on how to prepare projects (share of best practised, conference and seminars) that is ready for financing, animation and boosting interest and knowledge for European Regional Development Fund and Cohesion Fund thus providing public with results attained under the OPCC. All activities will be carried out on regional and local level as well on national level. Publicity officer network will be used as a source for dissemination of information toward interested public.</p> |

2.B.5 Result indicators

Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)

| Priority axis | | TA2 - Potential beneficiaries and general public effectively informed on the ESI funds implementation | | | | | | | | | |
|---------------|---|---|----------------|---|-------|---------------|---------------------|---|-------|----------------|------------------------|
| ID | Indicator | Measurement unit | Baseline value | | | Baseline year | Target value (2023) | | | Source of data | Frequency of reporting |
| | | | M | W | T | | M | W | T | | |
| TA2.1 | Share of public informed on EU funding opportunities in Croatia | % | | | 14.00 | 2013 | | | 60.00 | Surveys | Annually |

2.B.6 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

2.B.6.1 A description of actions to be supported and their expected contribution to the specific objectives

| Priority axis | 10 - Technical Assistance |
|--|---------------------------|
| <p>Actions related to the SO1:</p> <ul style="list-style-type: none"> • Purchase (hardware, licences) and development of different IT modules- maintenance included with the aim to have fully functioning data base for different purposes (internal IT system for audit, internal IT system for promotional and educational activities, human resources database) • Support for the closure of 2007-2013 OPs (expenditures like: fees for external consultants) • Support for preparation of strategic documents related to the ex-ante conditionalities for the financial perspective 2014-2020, strategic documents for the financial perspective 2021-2027 and project pipeline for the financial perspective 2021-2027 and possible complimentary other funds (preparation of studies, statistics, analytical reviews, drafting of strategic documents; expenditures like: fees for external consultants, surveys, studies, reports) • Outsourcing of expertise for all bodies for which there is lack in the system or specific knowledge is needed (background studies, analysis, gap assessments, statistics, preparation of feasibility studies, project documentation preparation, project evaluation/ appraisal, project monitoring, | |

| Priority axis | 10 - Technical Assistance |
|---------------|--|
| | <p>financial control checks, public procurement control, irregularity and fraud investigation, legal proceedings, debt recoveries, impact assessment and evaluation, book-keeping, accounting etc)</p> <ul style="list-style-type: none"> • Activities aimed at ensuring implementation of the operational program (preparation of national rules of procedures for ESI funds, state aid programme development, development of business process related to project selection , establishment and operating financial management and control system, financial forecasting and planning, verifications, preparation and implementation of audit strategy, complaints handling, managing irregularities, fraud and recoveries) • Hiring system and staffing aligned to the needs of the ESI funds system (expenditures like permanent and temporary staff/ temporary contracted staff, expenditures related to salaries and social security, sick leave, replacement, overtime work, performance related bonuses, mandatory services, mandatory trainings, local travel, international travel, per diems, and fees for external consultants). • Activities aimed at strengthening human resource management for employees working on PA/OPs (expenditures like: development of particular HR strategy, based on strategy to ensure proper retention policy activities, secondments in the MS with the aim to acquire specific knowledge or the secondment on regional and local level with the aim to share specific experience, implementation of career development plans) • Support to urban authorities responsible for implementing Sustainable Urban Development Strategies and ITIs in order to promote capacity-building, networking and exchange of experience and include them to Urban development network (as defined in Article 9 of Regulation (EU) No 1301/2013) • Office space provisions for all bodies in the system- expenditures like: rental fees related to building and car park, public utility costs (municipal and maintenance costs), security and insurance costs, furniture cost (purchase or rental), ICT costs (purchase or rentals) • Preparation and delivery of trainings and development programmes in the area of: general technical or subject matter knowledge (antifraud/anticorruption/audit/accounting), management skills, function related knowledge and skills, personal skills, participation at external training programmes (expenditures like: training needs assessment, preparation and delivery of training programmes (train the trainers scheme to be developed where possible), curriculum design, elaboration of training materials and presentations, piloting of training packages, training facilities (room, conference facilities, equipment, catering) participation fees, per diems. • Translation of documentation (expenditures like: fees, facilities and rental of appropriate technical equipment) • Archive/storage of documentation (expenditures like: archive purchase or rental, security, photocopy, digitalisation) • Support for the beneficiaries, including the regional level (expenditures like: employment related costs, fees, office space related costs, local travel, meeting room, training facilities, delivery of trainings – training materials included -in general and specialized in project preparation phases or |

| Priority axis | 10 - Technical Assistance |
|---|---------------------------|
| <p>development of particular strategic documents if such support is not anticipated within particular priority axis)[U 11]</p> <ul style="list-style-type: none"> • Activities aimed at strengthening the national and regional capacities directed at investment planning, evaluation of needs, preparation, proposal and implementation of financial tools, common action plans and large projects, including common initiatives with the European investment bank and World bank; • Activities aimed at Evaluation and Monitoring of the achievement of targets set in the OP (purchase/development of a data base (s), preparation and processing of surveys and questioners, preparation of methodologies, impact assessment, preparation of different sorts of evaluation, development of the evaluation capacity, forecasting, dissemination of information related of evaluations that were carried out- with expenditures like: database, fees, personnel) • Activities aimed at monitoring information system (development, purchase, update, setup of the hardware and software, maintenance and operation of the system, information security and data protection with expenditures like: fees, purchase of hardware and software, purchase /rental of rooms for the servers...) • Activities aimed at Partnership including monitoring committees (organisation of information sessions, seminars, conferences, preparation and organisation of consultations, capacity building , support for the policy development and monitoring with expenditures like: national/regional and local level meeting room/interpretation fees, data bases) • Activities aimed at audit (preparation and implementation of audit strategy including system audits, sample checks, preparation of control reports and with this activities accompanied expenditures for audit authority personnel, equipment and premises, outsourced specific expertise and consultants fees, development of internal data bases and their maintenance) <p>Actions related to the SO2:</p> <ul style="list-style-type: none"> • Activities aimed at Communication (preparation of Communication Strategy, development of guidelines/Action plan(s), and their respective implementation, reference material for bodies in the system and for the beneficiaries, preparation, production and dissemination of publicity materials, presence in audio-visual media, press briefings and conferences, information and training for journalists, participation at exhibitions, design, development and operation of web site, promotional programmes- sharing of best practices on international/national /regional and local level, with expenditure like: fees, design, editing, printing, recording, advertising, conference room /facilities, catering, rent of exhibition rooms/facilities). | |

| | |
|---|----------------------------------|
| Priority axis | 10 - Technical Assistance |
| <ul style="list-style-type: none"> • Translation of documentation (expenditures like: fees, facilities and rental of appropriate technical equipment) • Archive/storage of documentation (expenditures like: archive purchase or rental, security, photocopy, digitalisation) | |

2.B.6.2 Output indicators expected to contribute to results (by priority axis)

Table 13: Output indicators (by priority axis) (for ERDF/ESF/Cohesion Fund)

| Priority axis | | 10 - Technical Assistance | | | | |
|----------------------|---|----------------------------------|---------------------------------------|----------|----------|----------------------------|
| ID | Indicator (name of indicator) | Measurement unit | Target value (2023) (optional) | | | Source of data |
| | | | M | W | T | |
| TA1.1 | Number of studies, surveys and reports | Number | | | 700.00 | Implementation reports/MIS |
| TA1.2 | Number of participants in trainings | Number | | | 7,000.00 | Implementation reports/MIS |
| TA1.3 | Number of projects to reinforce the capacity of beneficiaries | Number | | | 100.00 | Implementation reports/MIS |
| TA2.1 | Number of public information events | Number | | | 60.00 | Implementation reports/MIS |

2.B.7 Categories of intervention (by priority axis)

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

Tables 14-16: Categories of intervention

Table 14: Dimension 1 - Intervention field

| Priority axis | | 10 - Technical Assistance | |
|---------------|--------------------|---|----------------|
| Fund | Category of region | Code | € Amount |
| ERDF | Less developed | 121. Preparation, implementation, monitoring and inspection | 174,512,612.00 |
| ERDF | Less developed | 122. Evaluation and studies | 20,000,000.00 |
| ERDF | Less developed | 123. Information and communication | 21,600,000.00 |

Table 15: Dimension 2 - Form of finance

| Priority axis | | 10 - Technical Assistance | |
|---------------|--------------------|---------------------------|----------------|
| Fund | Category of region | Code | € Amount |
| ERDF | Less developed | 01. Non-repayable grant | 216,112,612.00 |

Table 16: Dimension 3 – Territory type

| Priority axis | | 10 - Technical Assistance | |
|---------------|--------------------|---------------------------|----------------|
| Fund | Category of region | Code | € Amount |
| ERDF | Less developed | 07. Not applicable | 216,112,612.00 |

3. FINANCING PLAN

3.1 Financial appropriation from each fund and amounts for performance reserve

Table 17

| Fund | Category of region | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | | Total | |
|-------------------|--------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|-------------------------|-----------------------|
| | | Main allocation | Performance reserve | Main allocation | Performance reserve | Main allocation | Performance reserve | Main allocation | Performance reserve | Main allocation | Performance reserve | Main allocation | Performance reserve | Main allocation | Performance reserve | Main allocation | Performance reserve |
| ERDF | Less developed | 459,239,677.00 | 37,041,425.00 | 537,383,297.00 | 37,041,425.00 | 562,328,988.00 | 37,041,425.00 | 586,296,553.00 | 37,041,425.00 | 611,882,557.00 | 37,041,425.00 | 638,667,793.00 | 37,041,425.00 | 667,061,540.00 | 36,390,633.00 | 4,062,860,405.00 | 258,639,183.00 |
| Total ERDF | | 459,239,677.00 | 37,041,425.00 | 537,383,297.00 | 37,041,425.00 | 562,328,988.00 | 37,041,425.00 | 586,296,553.00 | 37,041,425.00 | 611,882,557.00 | 37,041,425.00 | 638,667,793.00 | 37,041,425.00 | 667,061,540.00 | 36,390,633.00 | 4,062,860,405.00 | 258,639,183.00 |
| CF | | 271,290,707.00 | 21,938,965.00 | 317,473,597.00 | 21,938,965.00 | 333,288,684.00 | 21,938,965.00 | 347,878,298.00 | 21,938,966.00 | 362,737,369.00 | 21,938,965.00 | 378,998,893.00 | 21,938,965.00 | 394,305,664.00 | 21,938,968.00 | 2,405,973,212.00 | 153,572,759.00 |
| Total | | 730,530,384.00 | 58,980,390.00 | 854,856,894.00 | 58,980,390.00 | 895,617,672.00 | 58,980,390.00 | 934,174,851.00 | 58,980,391.00 | 974,619,926.00 | 58,980,390.00 | 1,017,666,686.00 | 58,980,390.00 | 1,061,367,204.00 | 58,329,601.00 | 6,468,833,617.00 | 412,211,942.00 |

3.2 Total financial appropriation by fund and national co-financing (€)

Table 18a: Financing plan

| Priority axis | Fund | Category of region | Basis for calculation of Union support (Total eligible cost or public eligible cost) | Union support (a) | National counterpart (b) = (c) + (d) | Indicative breakdown of national counterpart | | Total funding (e) = (a) + (b) | Co-financing rate (f) = (a) / (e) (2) | EIB contributions (g) | Main allocation | | Performance reserve | | Performance reserve amount as proportion of total Union support (l) = (j) / (a) * 100 |
|---------------|-------------|-----------------------|--|-------------------------|--------------------------------------|--|----------------------------------|-------------------------------|---------------------------------------|-----------------------|-------------------------------|--------------------------------------|-----------------------|--|---|
| | | | | | | National public funding (c) | National private funding (d) (1) | | | | Union support (h) = (a) - (j) | National Counterpart (i) = (b) - (k) | Union support (j) | National Counterpart (k) = (b) * ((j) / (a)) | |
| 1 | ERDF | Less developed | Total | 664,792,165.00 | 117,316,264.00 | 17,316,264.00 | 100,000,000.00 | 782,108,429.00 | 85.00% | 0.00 | 624,904,635.00 | 110,277,288.14 | 39,887,530.00 | 7,038,975.86 | 6.00% |
| 2 | ERDF | Less developed | Total | 318,952,676.00 | 56,285,767.00 | 10,000,000.00 | 46,285,767.00 | 375,238,443.00 | 85.00% | 150,000,000.00 | 299,815,515.00 | 52,908,620.90 | 19,137,161.00 | 3,377,146.10 | 6.00% |
| 3 | ERDF | Less developed | Total | 970,000,000.00 | 171,176,471.00 | 11,176,471.00 | 160,000,000.00 | 1,141,176,471.00 | 85.00% | 0.00 | 911,800,000.00 | 160,905,882.74 | 58,200,000.00 | 10,270,588.26 | 6.00% |
| 4 | ERDF | Less developed | Total | 531,810,805.00 | 93,848,966.00 | 93,848,966.00 | 0.00 | 625,659,771.00 | 85.00% | 0.00 | 496,012,130.00 | 87,531,552.74 | 35,798,675.00 | 6,317,413.26 | 6.73% |
| 5 | ERDF | Less developed | Total | 245,396,147.00 | 43,305,202.00 | 43,305,202.00 | 0.00 | 288,701,349.00 | 85.00% | 0.00 | 228,773,026.00 | 40,371,710.09 | 16,623,121.00 | 2,933,491.91 | 6.77% |
| 6 | ERDF | Less developed | Total | 338,020,392.00 | 59,650,657.00 | 59,650,657.00 | 0.00 | 397,671,049.00 | 85.00% | 0.00 | 315,102,610.00 | 55,606,342.56 | 22,917,782.00 | 4,044,314.44 | 6.78% |
| 6 | CF | | Total | 1,649,340,216.00 | 291,060,038.00 | 291,060,038.00 | 0.00 | 1,940,400,254.00 | 85.00% | | 1,550,379,802.00 | 273,596,435.54 | 98,960,414.00 | 17,463,602.46 | 6.00% |
| 7 | ERDF | Less developed | Total | 400,000,000.00 | 70,588,235.00 | 70,588,235.00 | 0.00 | 470,588,235.00 | 85.00% | 0.00 | 372,109,973.00 | 65,666,465.55 | 27,890,027.00 | 4,921,769.45 | 6.97% |
| 7 | CF | | Total | 910,205,755.00 | 160,624,545.00 | 160,624,545.00 | 0.00 | 1,070,830,300.00 | 85.00% | | 855,593,410.00 | 150,987,072.35 | 54,612,345.00 | 9,637,472.65 | 6.00% |
| 8 | ERDF | Less developed | Total | 376,500,000.00 | 66,441,176.00 | 66,441,176.00 | 0.00 | 442,941,176.00 | 85.00% | 0.00 | 353,910,000.00 | 62,454,705.44 | 22,590,000.00 | 3,986,470.56 | 6.00% |
| 9 | ERDF | Less developed | Total | 259,914,791.00 | 45,867,316.00 | 45,867,316.00 | 0.00 | 305,782,107.00 | 85.00% | 0.00 | 244,319,904.00 | 43,115,277.12 | 15,594,887.00 | 2,752,038.88 | 6.00% |
| 10 | ERDF | Less developed | Total | 216,112,612.00 | 38,137,519.00 | 38,137,519.00 | 0.00 | 254,250,131.00 | 85.00% | 0.00 | 216,112,612.00 | 38,137,519.00 | | | |
| Total | ERDF | Less developed | | 4,321,499,588.00 | 762,617,573.00 | 456,331,806.00 | 306,285,767.00 | 5,084,117,161.00 | 85.00% | | 4,062,860,405.00 | 716,975,364.28 | 258,639,183.00 | 45,642,208.72 | 5.98% |
| Total | CF | | | 2,559,545,971.00 | 451,684,583.00 | 451,684,583.00 | 0.00 | 3,011,230,554.00 | 85.00% | | 2,405,973,212.00 | 424,583,507.89 | 153,572,759.00 | 27,101,075.11 | 6.00% |

| Priority axis | Fund | Category of region | Basis for calculation of Union support (Total eligible cost or public eligible cost) | Union support (a) | National counterpart (b) = (c) + (d) | Indicative breakdown of national counterpart | | Total funding (e) = (a) + (b) | Co-financing rate (f) = (a) / (e) (2) | EIB contributions (g) | Main allocation | | Performance reserve | | Performance reserve amount as proportion of total Union support (l) = (j) / (a) * 100 |
|---------------|------|--------------------|--|-------------------|--------------------------------------|--|----------------------------------|-------------------------------|---------------------------------------|-----------------------|-------------------------------|--------------------------------------|---------------------|--|--|
| | | | | | | National public funding (c) | National private funding (d) (1) | | | | Union support (h) = (a) - (j) | National Counterpart (i) = (b) - (k) | Union support (j) | National Counterpart (k) = (b) * ((j) / (a)) | |
| Grand total | | | | 6,881,045,559.00 | 1,214,302,156.00 | 908,016,389.00 | 306,285,767.00 | 8,095,347,715.00 | 85.00% | 150,000,000.00 | 6,468,833,617.00 | 1,141,558,872.17 | 412,211,942.00 | 72,743,283.83 | 5.99% |

(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).

Table 18c: Breakdown of the financial plan by priority axis, fund, category of region and thematic objective

| Priority axis | Fund | Category of region | Thematic objective | Union support | National counterpart | Total funding |
|---------------|------|--------------------|--|-------------------------|-------------------------|-------------------------|
| 1 | ERDF | Less developed | Strengthening research, technological development and innovation | 664,792,165.00 | 117,316,264.00 | 782,108,429.00 |
| 2 | ERDF | Less developed | Enhancing access to, and use and quality of, information and communication technologies | 318,952,676.00 | 56,285,767.00 | 375,238,443.00 |
| 3 | ERDF | Less developed | Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF) | 970,000,000.00 | 171,176,471.00 | 1,141,176,471.00 |
| 4 | ERDF | Less developed | Supporting the shift towards a low-carbon economy in all sectors | 531,810,805.00 | 93,848,966.00 | 625,659,771.00 |
| 5 | ERDF | Less developed | Promoting climate change adaptation, risk prevention and management | 245,396,147.00 | 43,305,202.00 | 288,701,349.00 |
| 6 | ERDF | Less developed | Preserving and protecting the environment and promoting resource efficiency | 338,020,392.00 | 59,650,657.00 | 397,671,049.00 |
| 6 | CF | | Preserving and protecting the environment and promoting resource efficiency | 1,649,340,216.00 | 291,060,038.00 | 1,940,400,254.00 |
| 7 | ERDF | Less developed | Promoting sustainable transport and removing bottlenecks in key network infrastructures | 400,000,000.00 | 70,588,235.00 | 470,588,235.00 |
| 7 | CF | | Promoting sustainable transport and removing bottlenecks in key network infrastructures | 910,205,755.00 | 160,624,545.00 | 1,070,830,300.00 |
| 8 | ERDF | Less developed | Promoting social inclusion, combating poverty and any discrimination | 376,500,000.00 | 66,441,176.00 | 442,941,176.00 |
| 9 | ERDF | Less developed | Investing in education, training and vocational training for skills and lifelong learning | 259,914,791.00 | 45,867,316.00 | 305,782,107.00 |
| Total | | | | 6,664,932,947.00 | 1,176,164,637.00 | 7,841,097,584.00 |

Table 19: Indicative amount of support to be used for climate change objectives

| Priority axis | Indicative amount of support to be used for climate change objectives (€) | Proportion of the total allocation to the operational programme (%) |
|---------------|---|---|
| 1 | 5,000,000.00 | 0.07% |
| 4 | 519,810,805.00 | 7.55% |
| 5 | 206,396,147.00 | 3.00% |
| 6 | 74,000,000.00 | 1.08% |
| 7 | 316,082,302.00 | 4.59% |
| Total | 1,121,289,254.00 | 16.30% |

4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development taking into account the content and objectives of the operational programme having regard to the Partnership Agreement and showing how it the operational programme contributes to the accomplishment of the objectives of the operational programme and expected results

Due to its wide scope and whole-national level coverage, OPCC is considered as the most important programme which will enable achievement of main objectives for integrated territorial development through ESI funds as defined in Partnership Agreement, i.e. ***promotion of a more balanced territorial development and use of comparative advantages of different territories.***

In order to promote balanced territorial development, system of advantages for actions implemented on the whole territory will be applied for areas with specific development needs such as assisted areas (defined according to development index) and/or islands. This includes providing additional support (through target calls or allocation, additional scoring and/or modulation of support) during both selection and implementation of projects.

Aforementioned areas are lagging behind in the fields of ***job creation and formation of new business*** (Thematic objective 3), ***development communal infrastructure*** (Thematic objective 6), ***connection*** (Thematic objectives 2 and 7) and ***infrastructure related to services*** (Thematic objectives 9 and 10), so it is necessary to provide appropriate advantages at least for those fields. Therefore, territorial approach will be especially relevant to achievement of the specific objectives of OPCC set at the level of aforementioned fields / thematic objectives.

This does not exclude the possibility for introduction of specially designed measures and calls for proposals for individual areas with special needs defined as national or regional priorities during implementation of OPCC.

Territorial strategies have an important role in identifying development needs and potentials of certain areas. Objectives and measures defined under territorial strategies (e.g. Regional development strategy of RoC, county development strategies, urban development strategies, as well as other programmes developed for individual areas) will also be basis for future investments from ESI funds, including OPCC. In that way complementarity of EU, national and other funds will contribute to integrated territorial goals set at the level of each strategic document.

OPCC will have an important role in investments related to sustainable urban development through ITI (as described under title 4.2. *Integrated actions for sustainable urban development*) and for investments in areas most affected by poverty (as described under section 5. *Specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion*).

4.1 Community-led local development (where appropriate)

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

Support within the framework of the OPCC is not planned.

4.2 Integrated actions for sustainable urban development (where appropriate)

Where appropriate the indicative amount of ERDF support for integrated actions for sustainable urban development to be implemented in accordance with the provisions under Article 7(2) of Regulation (EU) No 1301/2013 and the indicative allocation of ESF support for integrated action.

Increasing competitiveness of Croatian economy depends very much on investments in its most viable areas which highly correspond to areas of largest urban centres. Those urban centres also play role of development engines for their wider surroundings. Respecting the Article 96(3) of the Regulation (EU) 1303/2013 and Article 7 of the Regulation (EC) 1301/2013, the appropriate allocations from ERDF and ESF are allocated to the actions for sustainable urban development implemented through integrated territorial investments (ITI). In addition, allocation from CF is allocated to the aforementioned integrated actions.

Indicative ERDF and CF allocations are entirely set within OPCC and will encompass infrastructure investments aiming at achieving most proper use of existing and development of new resources. This will include actions related to e.g. business development, low-carbon economy and urban transport, (re)development of cultural heritage and brownfield sites and development of social infrastructure as described in Section 2 of the OPCC. Indicative ESF allocation is entirely set within OPEHR.

Investments in urban areas in which ITI is to be implemented will be based on integrated urban development strategies in which the city authorities, together with the wider range of partners, will define needs and potential for individual urban area. Indicative list of fields included under sustainable urban development is designed in active communication with urban authorities and clear set of actions at the level of each ITI will be defined after finalisation and verification of integrated urban development strategies. Actions envisaged by urban authorities should be focused and prioritised and may include the ones related mostly to achieving full development potentials (e.g. in business development) and the ones related to addressing the challenges which are consequence of concentration of population (e.g. urban transport or lack of social infrastructure). Strategies will also encompass actions outside of ITI scope in order to ensure integration of all actions financed in urban area from EU, national and local (private or public) sources.

Implementation of ITI will enable more active role of urban authorities in defining development objectives and priority projects, but will also enable integration of complex projects that need to be financed from different priority axis of OPCC and/or OPEHR.

ITI Lead Ministry (at the same time OPCC MA) will determinate exact scope of task to be performed by Urban Authority for each ITI depending on existing capacity of relevant Urban Authority, which will include at least selection of operations. ITI Lead Ministry will also be in charge of establishing coordination of ESF and ERDF/CF action related to sustainable urban development. Apart from infrastructure projects financed in urban areas in the framework of OPCC, funds from Technical assistance will be used to facilitate the implementation of ITI in urban areas.

Table 20: Integrated actions for sustainable urban development – indicative amounts of ERDF and ESF support

| Fund | ERDF and ESF support (indicative) (€) | Proportion of fund's total allocation to programme |
|-----------------------|---------------------------------------|--|
| Total ERDF | 293,351,269.00 | 6.79% |
| TOTAL ERDF+ESF | 293,351,269.00 | 4.26% |

4.3 Integrated Territorial Investment (ITI) (where appropriate)

The approach to the use of Integrated Territorial Investments (ITIs) (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.

The sustainable urban development concept will be implemented in Croatia exclusively through the Integrated Territorial Investment (ITI) mechanism. Research on urban development in Croatia finds that an integrated approach to sustainable urban development will potentially be beneficial in all towns with a population in excess of 35,000, but at initial stage possibility to apply for implementation of ITI mechanism and to use allocation reserved for sustainable urban development will be offered only to 7 largest urban centres with highest population concentration and capacities to implement projects under this mechanism - agglomeration of Zagreb, Osijek, Rijeka and Split with more than 100,000 inhabitants and Cities of Zadar, Slavonski Brod and Pula, with more than 50,000 inhabitants in central settlements. Final decision on ITIs to be implemented in Republic of Croatia will be based on competition between preselected 7 urban centres leading to selection of approximately 4 individual ITIs. Competitive procedure will enable selection of best prepared and most active urban authorities to implement ITIs. Additionally, subject to availability of funding, the ITI mechanism in the later stage could also be considered for implementation in other cities with population above 35,000 inhabitants.

Each of the ITIs will be co-financed by ERDF/CF through an integrated set of actions belonging to different priority axes of the OPCC, and additionally by actions co-financed by ESF under the OPEHR. In accordance with analysis of development problems and opportunities in large urban centres in Croatia[1], actions that can be supported through ITI mechanism are defined and include following three thematic areas.

Targeted urban areas are supported to become progressive cities and drivers of sustainable and smart economic growth, aiming to provide business support to enterprises, create new jobs, develop know-how and enable economic growth (for e.g. development of business support institutions). Cities are expected to join forces with existing research and innovation facilities and business sector in developing innovative solutions for social challenges (e.g. collaborative projects of local authorities, research and business sectors related to social innovations) and to become active participants in designing and implementation of educational programmes related to efficient urban development and management (e.g. programmes for lifelong learning for local servants).

Under second thematic set of actions, promotion of higher energy efficiency, energy savings and more intensive use of renewable energy sources will be supported like

smaller scale urban transport projects, especially ones related to low or zero carbon transport solution, investments in public energy infrastructure like district heating networks and protection and promotion of existing cultural heritage, rehabilitation of environmentally degraded areas and economic re-use of brownfields (industrial and military).

Third set of selected actions refer to inclusive cities, cities fighting poverty and supporting, social integration. Large urban centres will be encouraged to take active role in addressing the lack of infrastructure and capacity for provision of adequate services under the responsibility of cities (e.g. for elderly persons, homeless, etc) and contribute to the development of new models for provision of community bases services.

The thematic scope and a concrete set of integrated actions of each of the ITIs will vary depending on the analysis and objectives formulated in the integrated Sustainable Urban Development Strategies. Additional actions falling outside the scope of the ITIs will also be implemented in cities and complement the operation under the ITIs in order to achieve fully integrated approach. Actions proposed under ITIs must be integral part of the strategy and implemented under multi-sectorial partnership. Through preparation of Sustainable Urban Development Strategies and formalization of the partnerships at the local level, inclusive approach will be ensured. Urban authorities responsible for implementation of Sustainable Urban Development Strategies shall be responsible for tasks related to selection of the operations. ITI Lead Ministry will undertake a final verification of eligibility of operations before approval.

[1] Prepared within contract IPA2007/HR/16IPO/001-050401 implemented in period September, 2013-July, 2014

Table 21: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)

| Priority axis | Fund | Indicative financial allocation (Union support) (€) |
|--|------|---|
| 1 - Strengthening the Economy through Application of Research and Innovation | ERDF | 20,000,000.00 |
| 3 - Business Competitiveness | ERDF | 60,000,000.00 |
| 4 - Promoting Energy Efficiency and Renewable Energy Sources | ERDF | 80,000,000.00 |
| 6 - Environmental Protection and Sustainability of Resources | ERDF | 113,351,269.00 |
| 7 - Connectivity and Mobility | CF | 50,000,000.00 |

| Priority axis | Fund | Indicative financial allocation (Union support) (€) |
|---------------------------------|------|--|
| 8 - Social Inclusion and Health | ERDF | 20,000,000.00 |
| Total | | 343,351,269.00 |

4.4 The arrangements for interregional and transnational actions, within the operational programme, with beneficiaries located in at least one other Member State (where appropriate)

4.5 Contribution of the planned actions under the programme to macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the Member State (where appropriate)

(Where the Member State and regions participate in macro-regional strategies and sea basin strategies).

The Republic of Croatia is an integral part of two macroregional strategies: the EU Strategy for the Danube Region (EUSDR) and the EU Strategy for the Adriatic and Ionian Region (EUSAIR). Both strategies are rooted in all programming documents.

In the course of the programming exercise, both strategies have been taken into account, and respective action plans carefully examined and specific objectives of OPCC were drafted in a way to reflect national priorities within each strategy. It is expected that by supporting projects within identified specific objectives, a significant contribution to the implementation of macroregional strategies shall be achieved. At the moment there are no specific selection criteria envisaged for projects falling under these specific objectives, but their alignment and contribution to macroregional strategies shall be assessed in the later stage by the National Coordination Committee (NCC).

NCC shall be established for the purposes of coordination of all available instruments and funds in the Republic of Croatia as well as MRS's, and it shall have an essential role in the further implementation of EUSAIR and EUSDR.

Detailed analyses of planned actions of OPCC that will contribute to EUSDR and EUSAIR are presented in tables attached (4_5 EUS Adriatic and Ionian Region Correlation Table for SFC and 4_5 EUS Danube Region Correlation Table for SFC, attached as Programme Annexes).

5. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION (WHERE APPROPRIATE)

5.1 Geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion

Poverty and social exclusion in Croatia has a territorial dimension and is related to differentiated development factors such as level of household and personal income, education attainment, level of unemployment, housing quality and circumstances, access to services, quality of social welfare institutions, and opportunity to gain access to living conditions according to basic standards of society, as well as to the concentration of a few vulnerable groups at risk of social exclusion such as Roma, refugees, displaced and returnees as well as Homeland veterans and members of their families.

The highest geographical concentration of factors influencing the share of people at risk of poverty and social exclusion can be found predominantly in the east and the south-east part of Croatia, alongside the border with Serbia and Bosnia and Herzegovina. Those areas were mostly affected by the Homeland war in 1990-ties and are characterised by the high concentration of vulnerable groups at risk of social exclusion. They are featured by a number of small and medium-sized degraded towns (over 10.000 to 50.000 inhabitants) in predominantly rural surroundings and higher share of people at risk of poverty and social exclusion which reflects their low economic base and, in some cases, employment losses due to the war and transition. High unemployment rate (more than 20%) is combined with high depopulation, low quality and narrow access to social services and basic infrastructure, as well as with other development challenges. The share of people at risk of poverty is in general lower in big urban agglomerations in Croatia, except in some sub-local deprived neighbourhoods within these areas.

Although poverty maps providing specific spatial distribution of poverty at present are not available for the territory of Croatia, currently available statistical data, analysis of regional development index and public evidence-bases provide clear indication of areas with geographical concentration of poverty and social exclusion.

Since poverty mapping will be developed under priority axis *Social inclusion and health* (selected IP 9.2.) during the implementation of OPCC, initial support to the areas most affected by poverty will be realised through several pilot projects. Based on currently available data, Pilot areas will be preselected among small towns with over 10.000 to 35.000 inhabitants in the war-affected areas, based on the lowest score of the index of multiple deprivation calculated from the existing socio-economic data on population, unemployment, level of education, level of social and communal services, deteriorated environment with one town that meets criteria of significant Roma minority. The value of selected socio-economic indicators for which data are available at the municipal level will be aggregated for each town and displayed as the multiple deprivation index.

The roll out areas will be selected among small and medium sized towns over 10,000 to 50,000 inhabitants at highest risk of deprivation based on the poverty mapping and the index of multiple deprivation. Identification of aforementioned areas is based on demographic depopulation and aging, low level of economic activity, high unemployment, low level of education, deteriorated environment, low level of social and

communal services, high risk of poverty and exclusion. At least 5 roll out areas will be selected, based on the index of multiple deprivations and poverty mapping, and will be supported by specific area-based regeneration interventions using integrated approach.

Based on the poverty mapping outcomes, roll out phase for physical, social and economic regeneration projects is planned. *The roll out areas* will be selected among small and medium sized towns over 10,000 to 50,000 inhabitants at highest risk of deprivation based on the poverty mapping and the index of multiple deprivation. Identification of aforementioned areas is based on demographic depopulation and aging, low level of economic activity, high unemployment, low level of education, deteriorated environment, low level of social and communal services, high risk of poverty and exclusion. At least 5 new towns will be selected for roll out based on the index of multiple deprivations and poverty mapping and will be supported by specific area-based regeneration interventions using integrated approach.

5.2 Strategy to address the specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion, and where relevant, the contribution to the integrated approach set out in the Partnership Agreement

Investments in assisted areas and marginalised communities in Croatia over the past 20 years, dealing mainly with war consequences, poverty issues and development challenges, was mainly reactive based on "emergency planning" rather than an integrated approach towards regeneration. Consequently, investment impact was limited and has been largely palliative. The negative trends have not been changed – high depopulation rate and unemployment, low level of investments and economic activity, expensive public services as well as their low quality and narrow access in some areas altogether continue to result in high level of poverty and social exclusion.

The new approach Croatia intends to introduce will be less reactive and will contribute to better integration of different components (jobs, infrastructure, environment, services and social support structures, as well as social inclusion and integration) resulting in increasing development potential of identified areas. The area-based approach to integrated physical, social and economic regeneration of the areas affected by poverty and social exclusion is aiming at reducing social inequalities, exclusion and poverty, improving infrastructure, reinforcing growth potential and increasing attractiveness for living and potential investments, as well as reinforcing social inclusion and active participation of people living in those areas in the economic and community life.

The above mentioned integrated area-based approach will be delivered through three mechanisms:

- Implementation of five pilot projects in preselected pilot areas of small towns;
- Complementary activities at the central level: the generation of enhanced small-area data and associated poverty mapping and the establishment of appropriate management and control systems altogether creating a body of knowledge on a sustainable regeneration model; and
- Institutional capacity development of key stakeholders and staff.

As initial step, a methodical approach to integrated regeneration in five selected areas will be developed through a series of jointly financed, customised and integrated ESF and ERDF-supported interventions. The integrated regeneration programme will be implemented in three phase in 7-year programme period.

First phase will focus on setting up poverty mapping, addressing existing policy gaps in relation to integrated regeneration investments, providing support to local stakeholders in preparation of detailed Pilot Projects Intervention Plans in 5 Pilot Areas, their development and evaluation, establishing system of management and control mechanism for integrated regeneration investments.

As the poverty mapping and data collection will take longer than the preparation of the Pilot Projects Interventions Plans, the pilot areas will be selected on the basis of the multiple deprivation index by using existing socio-economic data on the level of towns (such as: unemployment rate, economic activity rate, proportion of population on social welfare, population loss between censuses, aging coefficient, population density, proportion of population with high school qualifications as well as with tertiary education, town development potential based on average population income and average local budget income per capita) and on the basis of the size and location of towns connected to the level of physical degradation associated with war and its consequences - small towns with over 10.000 to 35.000 of inhabitants in war affected areas, in order to concentrate funding. Through a selection procedure, among small towns with more than 10.000 inhabitants from ex-war areas with the lowest score of the index of multiple deprivation 5 pilot towns, including one that meets criteria of significant Roma minority, will be selected for investments.

Second phase will focus on the implementation of the Pilot Projects based on the Intervention Plans. At the end of implementation of the Pilot projects, an ex-post evaluation will be undertaken by a qualified external and independent expert/s. This report will recommend a clear way forward. ERDF funds will create the community and economic infrastructure, necessary to secure sustainability. They will be implemented in an integrated manner with the ESF activities and will be funded under the specific objective 9.2.1 of the Operational Programme Competitiveness and Cohesion. ESF will be used to co-finance provision of social, educational, economic and employment-related services necessary for the effective realisation of the intervention plans' objectives and will be funded under specific objective 9.4.2 of the Operational Programme Effective Human Resources. An indicative but not exhaustive list of actions to be supported under IPs ERDF 9.2. and complementary ESF 9.4 within further developed intervention plans is listed under Section 2 of the OP Competitiveness and Cohesion.

Third phase is based upon the outcome of the previous phase, especially the ex-post evaluation and the available resources, and is focusing on the roll out of the programme to other areas at the risk of poverty in Croatia. The small and medium sized towns for roll-out will be identified based on the poverty mapping and the index of multiple deprivation. The Roll-out phase includes preparation of the Intervention Plans in line with the evaluation recommendations for at least 5 new towns and eventually their actual implementation. Dependent to the available resources the actual implementation of the new intervention plans might take place in the new programming period. Some changes to the central and local management and control system will be made as well as on data quality and research evidence to underpin the planning.

There are two major expected results of using ERDF in complementary manner with the ESF under this specific objective:

- Design and testing of a new model of area-based approach to regeneration of deprived communities by tackling geographically concentrated socio-economic and physical deprivation problems, and
- Improvement of the socio-economic and living conditions in five selected pilot areas for 45.000 inhabitants living in pilot areas that will decrease further population loss. Package of interventions will result in the regeneration of the degraded areas and contribute to the reduction of inequalities, social exclusion and poverty.

Detailed description of main types of planned actions are defined under Section 2 of OPCC. Mentioned ERDF type of actions will be implemented in a complementary and integrated manner with the ESF actions, envisaged under the specific objective 9.4.2 of the Operational Programme Effective Human Resources.

Table 22: Actions to address specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion

| Target group/geographical area | Main types of planned action as part of integrated approach | Priority axis | Fund | Category of region | Investment priority |
|---|---|---------------------------------|------|--------------------|--|
| Geographical areas most affected by poverty (as identified by the index of multiple deprivation and poverty mapping) | Sustainable physical, social and economic regeneration of selected deprived pilot areas aiming at reducing social inequalities, exclusion and poverty | 8 - Social Inclusion and Health | ERDF | Less developed | 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas |

6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS (WHERE APPROPRIATE)

The process of depopulation has been a common feature in Croatia for more than 20 years. The majority of Croatian territory is affected by the population loss that is connected with negative natural change in population, with high domestic emigration flow towards big cities and since recently with negative net international migration.

Between two Censuses in 2001 and 2011 a decrease of total population recorded -3,44% . More than 65% of Croatian territory is affected by the depopulation higher than the aforementioned average (also 35% of territory with the loss higher than 10%). Another problem is population density – 43% of territory with below 25 inhabitants per km².

Demographic handicaps are more evident in certain geographical areas such as border areas, hilly-mountainous areas and island out of which the last two are also areas with natural handicaps. But the most demographically challenged are the areas that are still facing war-related losses – the war affected areas during the 1990-ties.

The war affected areas are still on 60% of pre-war population with population density less than 25 inhabitants per km² and deteriorating trend of further depopulation (28% of Croatian territory with 9% of population). Those areas are also highly distressed by the poverty and social exclusion.

As the general depopulation area in Croatia, there are 718 islands (1,246 with coastal reefs) but only 48 inhabited with a total of 132.000 permanent inhabitants. Apart from the physical detachment that is the obvious source of problems for islanders, this seasonable inflow of population (a large number of tourists during summer seasons) makes additional strain to the services that should provide normal living conditions.

Negative trends in those areas can be reversed only through integrated sets of actions that are foreseen in different priority axis of the OPCC.

Under **SO 9.2.1** the interventions on physical, social and economic regeneration of deprived areas are targeting five pilot small towns in the war affected areas influenced by poverty and social exclusion as well as by the high demographic losses. Between pre-war 1991 and 2011 Census the population loss reached more than 20% in each of them. It was to some extent decreased between 2001 and 2011 Censuses for the increased return of refugees, but recently it is increasing again due to ongoing emigration and negative natural growth. The ERDF funded interventions under IP 9.2.1 are complemented with ESF interventions thus creating an integrated approach to tackle the poverty issues in these pilot areas as well as the demographic handicaps (loss of population).

The OPCC also recognises the specific need of islands and provides activities through the following specific objectives:

SO 2.1.1. Development of NGN broadband infrastructure in areas without sufficient commercial interest for investments in NGN broadband infrastructure for maximum increase of social and economic benefits. The islands are to be provided

with modern standard internet connectivity through the interventions envisaged for SO implementation. IT technology provides opportunities for better integration of islands into the rest of society and also mitigates need for permanent physical presence of some services on islands (as some medical and education services) and makes them more business competitive.

SO 6.2.1. Improvement of the public water supply system with the purpose of assuring quality and safety of water supply for drinking water. The aim here is the provision of drinking water of good quality and to increase connection rate. The focus of interventions is on construction/reconstruction/upgrading of supply networks as well as water treatment plants and desalination plants for assuring drinking water on the remote islands and in other remote inland settlements as a possibility if no other measures are able to be rationally justified and applied.

SO 7.3.1. Improved territorial cohesion and connectivity and accessibility of islands. The intention is to assure gradually stable and high level transport services regardless the season through the investments in ports, in boats and in improved public transport services in general. Intention is also to better integrate this type of transport with other modes and public transport services on the coast.

SO 9.1.1 Improving access to primary and emergency health care, with focus on isolated and deprived areas. ESIF will be used to improve transport and care of emergency patients from Croatian islands through establishing rapid sea emergency medical service. As the result of the investment, new conjoint emergency medical wards will provide more effective and efficient EMS, particularly to the population of deprived and isolated areas including islands.

7. AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS

7.1 Relevant authorities and bodies

Table 23: Relevant authorities and bodies

| Authority/body | Name of authority/body and department or unit | Head of authority/body (position or post) |
|---|---|---|
| Managing authority | Ministry of Regional Development and European Union Funds | Minister of Regional Development and European Union Funds |
| Certifying authority | Ministry of Finance | Assistant Minister of Finance |
| Audit authority | Agency for the Audit of European Union Programmes Implementation System | Director of the Agency |
| Body to which Commission will make payments | Ministry of Finance | Assistant Minister |

7.2 Involvement of relevant partners

7.2.1 Actions taken to involve the relevant partners in the preparation of the operational programme, and the role of those partners in the implementation, monitoring and evaluation of the programme

The process of preparation of programming documents for the 2014-2020 financial perspective in Croatia started in spring 2012 under the coordination of the **Ministry of Regional Development and EU Funds**. It encompassed all line ministries which carried out the analysis of socio-economic situation, as well as SWOT analysis with the needs and potentials for future development.

The work of preparation of programming document was formalized with the establishment of the **Coordinating Committee (CC) for preparation for the EU 2014-2020 financial perspective** by the Government of Croatia on 6 September 2012. All line ministries and the Prime minister's Office appointed their representatives in the Coordinating Committee, with the primary task of organization, coordination and guidance of the process of preparation for the 2014-2020 financial perspective.

The CC agreed on the timeline for the main programming steps including actions for preparation of the Partnership Agreement, Operational Programmes and Economic Programme and their approval by the Government. Furthermore, the CC established **Thematic working groups (TWG)** with the main task of preparation of input data and materials for programming documents. Composition of the TWGs was designed in accordance with 11 Thematic Objectives proposed by European Commission in the draft Cohesion policy Regulations for 2014-2020.

Distribution of TWGs in relation to thematic objectives is the following:

- TWG 1 on *Strengthening research, technological development and innovation (referred to in Article 9(1)) and Enhancing access to and use and quality of information and communication technologies (referred to in Article 9(2))*, led by the Ministry of Economy
- TWG 2 on *Enhancing the competitiveness of small and medium- sized enterprises (SMEs) (referred to in Article 9(3))*, led by the Ministry of Entrepreneurship and Crafts
- TWG 3 on *Supporting the shift towards a low-carbon economy in all sectors (referred to in Article 9(4)), Promoting climate change adaptation and risk prevention (referred to in Article 9(5)), and Protecting the environment and promoting the sustainable use of resources (referred to in Article 9(6))*, led by the Ministry of Environment and Nature Protection
- TWG 4 on *Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))*, led by the Ministry of Maritime Affairs, Transport and Infrastructure
- TWG 5 on *Promoting employment and supporting labour mobility (referred to in Article 9(8)), Investing in skills, education and lifelong learning (referred to in Article 9(10)), and Promoting social inclusion and combating poverty (referred to in Article 9(9))*, led by the Ministry of Labour and Pension System
- TWG 6 on *Enhancing institutional capacity and efficient public administration (referred to in Article 9(11))*, led by the Ministry of Public Administration

The programming process in Croatia was designed and implemented in accordance with Article 5 of the CPR, respecting the partnership principle from the very beginning of the process. The composition of TWGs was based on the partnership principle and aside from public administration representatives, they assembled representatives of social partners, the civil sector and regional and local authorities who actively participated in their work. **The list of institutions** which participated in the work of TWGs is annexed to this document, while the complete list of members was publicly available at MRDEUF website. Each lead ministry coordinated inputs of TWG members and provided texts for operational programmes as well as proposals of projects for the project pipeline.

Since the significance of the programming process was widely recognized, a great interest for inclusion in the process was expressed especially in civil society organizations. In order to ensure transparency and fairness in the selection process, representatives of the civil society organisations (CSOs) and other non-government organisations (NGOs) were selected through an open call for nominations, where the members of the Council for the Development of the Civil Society decided on the representatives by applying a **majority vote method of selection**. Representatives of social partners have been included in the work of TWGs dealing with employment, social policy and education.

The first presentation of the identified areas of intervention and the possibility to express their opinion on importance of selected priorities was given to the representatives of stakeholders and the wider public at **the public consultation event on 6&7 June in Zagreb**. Besides the public administration representatives, it included representatives of

the scientific community, research institutes, civil society representatives, associations of regional and local government units, association of employers, trade unions and others. The goal of the conference was to share general information on the programming process, and launch a set of separate discussions per investment needs by thematic objectives. A wide agreement on the investment needs was the starting point for drafting of the texts of programming documents. Simultaneously, consultations via internet on the website of MRDEUF were organized providing the possibility to fill out the questionnaires which were distributed at the conference. Internet public consultations lasted until beginning of July. The possibility to fill out the questionnaire and vote on the desired order of priorities was used by 560 participants at the conference, while 3,564 responses were collected on-line. The highest interest from the public was expressed in **education issues**. All the answers and reflections from the survey have been published online and taken into account upon revision of programming documents.

The second round of public consultations was organized on **4-6 December in Zagreb**, with participation of all TWGs including the Ministry of Agriculture which presented the Rural Development Plan and the OP EMFF. For the purpose of collecting feedback information on the identified investment strategies, MRDEUF prepared a consultation document, responses to which were collected during December 2013 and January 2014. At the public consultation event, a set of very detailed sector-specific consultations was held per TWG, with a total of 845 participants present at a three-day event. The highest interest, in terms of participants and debate, was shown for the *Innovative and competitive business and research environment*. Inputs of partners and stakeholders included comments and proposals to the wording and specific activities proposed, which have been incorporated in the texts of the OP.

The final public consultations for the Operational Programme were organized on 29 May 2014 in Zagreb, where the priority axes, investment priorities and specific objectives were presented as well as financial figures related to identified specific objectives. The consultation process has continued via internet: materials from the public consultations event were posted on the MRDEUF's website and on www.strukturnifondovi.hr, together with the survey which was distributed to the participants at the consultation event. Comments and opinions collected through the survey were taken into account when preparing the final text of the operational programmes.

Simultaneously with these events, a series of **regional workshops** was organized throughout Croatia in 2013, bringing together regional and local stakeholders. The so-called 'Regional days of EU Funds' workshops were held in 12 Croatian cities and provided the opportunity to learn details about the process of planning, preparation and implementation of the two financial perspectives. The audience encompassed local and regional self-government units, regional development agencies, civil society organizations, social partners, chambers of commerce, SMEs, industry, universities and educational institutions, public and non-public sector companies.

The involvement of relevant partners in the implementation, monitoring and evaluation of the OP Competitiveness and Cohesion is to be ensured primarily through their engagement in OP management related committees. Cooperation with the TWGs will continue by involving partners in the work of the **National Coordinating Committee (NCC)**[1] and the Monitoring Committee (MC) established by the Managing Authority (MA). As per Article 48(1) of Regulation (EU) No 1303/2013), Monitoring Committee

of the OP Competitiveness and Cohesion will include representatives of partner organizations and other stakeholders. The list of possible members may include: representatives of local and regional authorities, regional development agencies, chambers, associations, non-governmental organizations etc.

Ex-ante evaluation is elaborated in parallel with the preparation of the OP, involving the sequential provision of interim appraisals and recommendations per OP's section by the evaluator to those responsible for the preparation and elaboration of the OP. Partnership and cooperation between the ex-ante evaluator with the management/programming team is set in a couple of ways: key meetings with the management/programming team dealing with implementation and programming decisions, preparation of the written recommendations on programme improvement and providing permanent advice and support during the course of programming process. Ex-ante evaluation of the 2014-2020 programming process started as early as first analysis of socio-economic situation, as well as SWOT analysis, have been prepared by the TWGs. The process of ex-ante evaluation is ongoing and is to be finalized with the preparation of the final version of the Operational Programmes.

[1] Following the completion of the programming exercise, it is intended that the Coordination Committee (supported by the work of TWGs) is used as a permanent coordination mechanism in the form of **National Coordinating Committee (NCC)**, ensuring overall coordination and monitoring of implementation of ESI funds (mainstream operational programmes under the ERDF, ESF, CF, EMFF and EARDF and cooperation programmes under the IPA and ERDF) and other Union and relevant national funding instruments.

7.2.2 Global grants (for the ESF, where appropriate)

7.2.3 Allocation of an amount for capacity building (for the ESF, where appropriate)

8. COORDINATION BETWEEN THE FUNDS, THE EAFRD, THE EMFF AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS, AND WITH THE EIB

The mechanisms to ensure coordination between the Funds, the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF) and other Union and national funding instruments, and with the European Investment Bank (EIB), taking into account the relevant provisions laid down in the Common Strategic Framework.

Coordination between various funding instruments will be ensured at the highest level, and managed by the Coordinating Body and the National Coordinating Committee (NCC). One of the main roles of the Coordinating Body performed by MRDEUF, will be to ensure complementarity between operational programmes, other financing instruments and national funding.

Fostering entrepreneurship as means of strengthening competitiveness and employment

Regarding synergies with OPCC TO 3, within the ESF OPEHR, TO8, specific objective 8.4.2 “Increase employment of unemployed through facilitating access to and providing support for self-employment and entrepreneurship”, the synergy with TO3 under OPCC will be fostered regarding self-employment and start-ups. Under TO 8 self-employment activities are focused on facilitating access to entrepreneurship for vulnerable groups who are also (long-term) unemployed, foremostly as a pathway to employment. Activities would encompass small-scale financial subsidies and micro-crediting schemes accompanied with a range of supportive assistance measures (guidance, training, mentoring, follow-up, etc.), while under OPCC TO 3, greater focus is placed on achievement of competitiveness and development of already existing SMEs, but also innovative start-ups whereby project promoters are driven by a business idea and striving to competitiveness, their employment not being the primary goal of their endeavor (i.e. such entrepreneurs might already be employed and are not considered to fall under any vulnerable groups), whereby TO3 encompasses financial support on a larger scale and more advanced services TO SMEs, available to broader target groups, including existing entrepreneurs.

Transport Sector

Being much orientated on the TEN-T network, PA 7 is complementary to the Connecting Europe Facility (CEF) - Transport activities. While CEF is concentrated on supporting projects on the core network corridors (Mediterranean corridor) and international crossings, the CF/ERDF within the OPCC will focus on the rest of the network corridors and support core network projects that have fallen out of the CEF scope due to timing and financial restraints.

EAFRD and EMFF

Under **T.O.s 1 and 3**, use of ERDF, EAFRD and EMFF is possible. The EAFRD and EMFF will complement the T.O.s by supporting subsidies to and addressing the production of products covered by Annex 1 of the EU Treaty, aquaculture and fisheries

production and diversification of economic activities, when exiting from agriculture and fishery activities to other economic activities.

Within **T.O. 4** the EAFRD will focus on EE & RES measures for the agricultural producers and food processing industry in addition to the generation of biomass from forestry. Complementarity will be achieved by usage of the biomass generated from forestry for the production of RES under ERDF funds. The EMFF will support environmental and energy efficiency activities in fisheries, ports and aquaculture.

In **T.O. 6** waste management measures will be financed under ERDF in order to ensure coherence of the waste streams lifecycle (from generation to final disposal) except for the waste management in sea that will be covered by EMFF, while the water services (water supply, sewerage and WW treatment) in agglomerations below 2,000 p.e. will be financed through EAFRD and those above 2,000 p.e. by ERDF. In the nature protection sector, EAFRD will be engaged for funding of measures on the agricultural land nature protection related to the agriculture land including compensation payments to farmers, while ERDF will focus on establishment and implementation of the Natura 2000 management framework and biodiversity measures on the non-agricultural land. In terms of touristic infrastructure in the protected areas ERDF will relate to the protected areas managed by the state / regional (county) authorities while the EAFRD will relate to the areas managed by the local (city/municipality) authorities.

As for the overall water regime management, the demarcation and complementarity will be ensured by ERDF, within **T.O. 5**, placing the priority on flood protection measures (retention reservoirs, embankments strengthening, drainage channels) and in limited scope on larger irrigation systems (main network in the systems above 1,500 ha). EAFRD (under **T.O. 3**) will focus on majority of the irrigation investments (pipeline with corresponding elements such as reservoirs and pumping stations in the systems up to the 1,500 ha).

For **T.O.s 8, 9 and 10** the complementarity will be achieved by providing EAFRD support for small-scale public service infrastructure in rural areas, rehabilitation and conservation of existing cultural heritage and other buildings adapting them for community needs, with the potential to be used for provision of public services, financed from the ESF. EAFRD and EMFF will also support local action groups, which will contribute to the TO 8, 9, and 10 through community-based initiatives.

Regarding demarcation between EAFRD investments and those envisaged under SO 9.2.1, SO 9.2.1: ERDF will focus on small towns between 10,000 to 35,000 inhabitants, while EAFRD supports investments in settlements below 2,000, 5,000, 10,000 inhabitants (depending on type of investment). Moreover, demarcation is additionally set on the project size, in terms of financing, where EAFRD will finance projects up to 1.000.000 EUR while ERDF will concentrate on bigger projects.

Within the Investment Priority 6.4 ERDF will focus exclusively on demining activities in National, Nature and Regional Parks and other Natura 2000 areas outside the mentioned categories. Additionally, regarding ERDF, if a project is located in a former occupied or war affected area and is mine suspected, demining activities are an eligible cost within the site preparation activities. EAFRD, through the measure 5.2. will concentrate on demining of agricultural land and directly-related infrastructure (e.g. agricultural land pathways, dikes, drainage systems, terraces, stonewalls, landscape features, and similar)

if it is an integral part of undermined agricultural land in question and mine pollution of it negatively influences (harms) agricultural potential, but falling outside the Natura 2000 network.

Coordination between ESF/ERDF integrated actions (TOs 9 and 10)

Integrated approach to implementation of activities under thematic objectives 9 and 10 will be ensured through participation of members of both monitoring committees in the National Coordination Committee.

Programme for the Environment and Climate Action (LIFE)

The potential for complementarities and synergies between LIFE programme and ESI funded programmes exists in almost all sectors but specifically in TOs 4 to 6. Complementarity can be achieved under Integrated projects, intended to co-finance bigger projects on a large territorial scale (regional, multi-regional, or national, and in a cross-sector manner) and will cover limited priorities of the two LIFE sub programmes. However, since financing for integrated projects needs to mobilize EU Structural funds and / or other national and private funding, ESI funded programmes can provide funding as a necessary contribution to integrated projects under LIFE. Additionally, beside integrated projects LIFE programme can fund other type of projects such as preparatory technical assistance and preparatory projects that can serve as a basis for the implementation for such projects (developed under LIFE) under ESI funded programmes.

EUREKA

EUREKA is an intergovernmental organization for market-driven industrial R&D in which Croatia is participating as of 2000. Projects identified and approved under EUREKA are to be financed by the beneficiary and public co-financing up to 50% of the investment (in case of Croatia). Having in mind that EUREKA supports activities that are complementary to activities envisaged under TO 1 to TO6 there is a potential for usage of ESI funds for partial securing of the mentioned public co-financing of the projects identified under EUREKA programme.

European Economic Area (EEA) Grants

Complementarity of the PA 1 shall be possible with **EEA Financial Mechanism Programme 2009 - 2014**, which aims at strengthening economic cohesion at national, regional and local levels through investments in energy, environmental and maritime research and business innovation.

Swiss-Croatian Cooperation Programme

Swiss Cooperation Programme is financing specific, high quality projects aimed at reducing the economic and social disparities in the new EU Member States, and in this way, programme supports the EU objective of strengthening the internal economic and social cohesion. As regards to the thematic domains and priorities set within Swiss-Croatian Cooperation Programme, the close internal coordination is intended to be ensured through the day-to-day work of the National Coordination Unit placed in the MRDEUF. Even though the programming process of the Swiss–Croatian Cooperation

Programme only started, estimate is that the programme shall be focused on a few predefined basic infrastructure projects in the specific geographical area on the one hand, and on the measures aimed at security, stability, and support for reforms, as well as at human and social development on the other hand.

Union Programmes 2014-2020

As regards to the areas of constructive cooperation and possible synergies between ESI Funds and actions implemented in other Union funding instruments in Croatia, main efforts shall be assembled by MRDEUF which will stay responsible for the overall coordination of EU Funds, e.g. for ensuring the involvement of the relevant public administration bodies in the activities of each programme in the quality manner, as well as for the monitoring and evaluation of the Croatian participation in the programmes. Croatian state administration bodies participated in numerous Union programmes in the financial perspective 2007-2013 and had accumulated significant experience since 2006. Croatia has already undertaken the prerequisite actions for the use of the Union Programmes in the financial perspective 2014-2020, such as creation of NCPs network that will inherit most of the existing administrative structure from the previous period.

Since Croatia is dedicated to the creation of competent and competitive society, synergies between the PA 1 and the Framework Programme for Research and Innovation (Horizon 2020) will be ensured by joint efforts and day-to-day work of the responsible NCP within the Ministry of the Education and Sports, and MRREUF, as the overall coordinator of EU Funds. Given the complexity and diversity of the financing opportunities, MRDEUF will optionally consult institutions in charge for the specific sectors, e.g. Ministry of Maritime Affairs, Transport and Infrastructure for the questions of complementarity of actions in the area of Societall Challenge “Smart, green and integrated transport” envisaged under the programme Horizon 2020 and PA 7 in the OPCC.

As regards to the Programme for the Competitiveness of Enterprises and SMEs (COSME) and ensuring its synergy with the planned activities under PA 3 in the OPCC, it will be considered as the joint responsibility of the MRDEUF and the Ministry of Crafts and Entrepreneurship, which has the mandate of ensuring coordination of the quality publicity and visibility activities, as well as smooth implementation of the programme COSME in Croatia.

Coordination of ETC with mainstream OP as well as macro-regional strategies (MRS)

Coordination between OPCC and all 13 territorial cooperation programmes shall be achieved through regular staff meetings of all programmes, while coordination with MRS's shall be achieved on a higher level through NCC. Coordination can be expected with regards to publication of tenders, alignment of applicable eligibility rules for both, beneficiaries and costs, publicity and visibility activities, activities with regards to detection, prevention and reporting on irregularities, complaints procedure and through selection of operations on a smaller level since the rules for selection of operations differ so only already contracted operations could/should be compared. This should also allow for a certain level of prevention of double financing.

With regards to macro-regional strategies, coordination shall be achieved through NCC where all the internal and external financial assistance shall be coordinated. NCC should

take over members of the current National Committee established for transnational and interregional programmes and MRS's and extended with other relevant members thus creating an excellent platform for coordination and consultation with a larger number of interested and relevant stakeholders.

Alignment of running or finished projects with MRS's shall be assessed at this level through regular reporting and meetings of the NCC. It is expected that NCC could advise the MA's and NA's in case of non-managed ETC programmes, to finance additional cooperation activities where there is potential of projects contributing to macro-regional goals. Stating this, NCC shall receive a list and summary of all financed projects enabling them to make these suggestions.

EIB

Croatia intends to apply for a loan with EIB in order to facilitate the implementation of ESI funds in period 2014-2012. Large focus is intended to be put on areas of transport, waste, water and environmental protection, research and development but also on other sectors with absorption potential.

Holding the role of Coordinating body and Managing Authority for OPCC, MRDEUF is recognized as a logical institutional solution for coordinating the potential future Structural Programme Loan. In such a way EIB will have two main partners (MFIN as the borrower and MRDEUF as Promoter), which will contribute to streamlining and focusing the activities on accomplishing the strategic goals.

9. EX-ANTE CONDITIONALITIES

9.1 Ex-ante conditionalities

Information on the assessment of the applicability and the fulfilment of ex-ante conditionalities (optional).

The following Tables 24, 25 and 26 contain the relevant summarised points, in line with the prescribed length of the content, while much more detailed information is contained within a separate Annex to the OPCC, under Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities.

Table 24: Applicable ex-ante conditionalities and assessment of their fulfilment

| Ex-ante conditionality | Priority axes to which conditionality applies | Ex-ante conditionality fulfilled (Yes/No/Partially) |
|--|--|--|
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 1 - Strengthening the Economy through Application of Research and Innovation | Partially |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 2 - Use of Information and Communication Technologies | No |
| T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups. | 2 - Use of Information and Communication Technologies | Partially |
| T.03.1 - Specific actions have been carried out to underpin the promotion | 3 - Business Competitiveness | Partially |

| Ex-ante conditionality | Priority axes to which conditionality applies | Ex-ante conditionality fulfilled (Yes/No/Partially) |
|---|--|--|
| of entrepreneurship taking into account the Small Business Act (SBA). | | |
| T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings. | 4 - Promoting Energy Efficiency and Renewable Energy Sources | Partially |
| T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power. | 4 - Promoting Energy Efficiency and Renewable Energy Sources | No |
| T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy sources. | 4 - Promoting Energy Efficiency and Renewable Energy Sources | Yes |
| T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation | 5 - Climate Change and Risk Management | No |
| T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes. | 6 - Environmental Protection and Sustainability of Resources | Partially |
| T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy. | 6 - Environmental Protection and Sustainability of Resources | Partially |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the | 7 - Connectivity and Mobility | No |

| Ex-ante conditionality | Priority axes to which conditionality applies | Ex-ante conditionality fulfilled (Yes/No/Partially) |
|---|--|--|
| TEN T comprehensive and core networks. | | |
| T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building. | 7 - Connectivity and Mobility | No |
| T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility. | 7 - Connectivity and Mobility | No |
| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 8 - Social Inclusion and Health | Partially |
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 8 - Social Inclusion and Health | Partially |
| T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability. | 8 - Social Inclusion and Health | Partially |
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for | 9 - Education, Skills and Lifelong Learning | Yes |

| Ex-ante conditionality | Priority axes to which conditionality applies | Ex-ante conditionality fulfilled (Yes/No/Partially) |
|---|---|--|
| increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | | |
| T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU. | 9 - Education, Skills and Lifelong Learning | Partially |
| T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU. | 9 - Education, Skills and Lifelong Learning | Partially |
| G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds. | 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 1 - Strengthening the Economy through Application of Research and Innovation 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning 10 - Technical Assistance | Partially |
| G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds. | 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 1 - Strengthening the Economy through Application of Research and Innovation 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 8 - Social Inclusion and Health | Partially |

| Ex-ante conditionality | Priority axes to which conditionality applies | Ex-ante conditionality fulfilled (Yes/No/Partially) |
|--|---|--|
| | 9 - Education, Skills and Lifelong Learning 10 - Technical Assistance | |
| G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC. | 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 1 - Strengthening the Economy through Application of Research and Innovation 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning 10 - Technical Assistance | No |
| G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds. | 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 1 - Strengthening the Economy through Application of Research and Innovation 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning 10 - Technical Assistance | Yes |
| G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds. | 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources | Yes |

| Ex-ante conditionality | Priority axes to which conditionality applies | Ex-ante conditionality fulfilled (Yes/No/Partially) |
|---|---|--|
| | 7 - Connectivity and Mobility 1 - Strengthening the Economy through Application of Research and Innovation 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning 10 - Technical Assistance | |
| G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA. | 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 1 - Strengthening the Economy through Application of Research and Innovation 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning 10 - Technical Assistance | Yes |
| G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation. | 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 1 - Strengthening the Economy through Application of Research and Innovation 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning | Yes |

| Ex-ante conditionality | Priority axes to which conditionality applies | Ex-ante conditionality fulfilled (Yes/No/Partially) |
|-------------------------------|--|--|
| | 10 - Technical Assistance | |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|---|-----------------------------|-----------|---|
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 1 - A national or regional smart specialisation strategy is in place that: | No | | Smart specialisation strategy is in process of elaboration, it is planned to be adopted by the Government in December 2014 and submitted to EC on approval in January 2015. It will be composed of 7 chapters, in line with RIS guide: Analytical part, SWOT analyses, Strategic part, Thematic areas of investments, policy mixes, governance and monitoring and evaluation. |
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 2 - is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities; | No | | |
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 3 - outlines measures to stimulate private RTD investment; | No | | |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|---|-----------------------------|--|---|
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 4 - contains a monitoring mechanism. | No | | |
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 5 - A framework outlining available budgetary resources for research and innovation has been adopted. | Yes | <p>Croatian Research Infrastructure Roadmap 2014-2020 adopted on 01 April 2014 by the Minister for Science, Education and Sports:</p> <p>http://public.mzos.hr/Default.aspx?art=13111&sec=2127</p> <p>It covers:</p> <ol style="list-style-type: none"> 1. National priorities for development of research infrastructure 2. Selection criteria for RI projects 3. Models of cooperation within | <p>The Roadmap has been developed in parallel with the MSES' involvement in development of S3, therefore it is in synergy with S3 as well as other relevant national strategies. Croatian Roadmap has been drafted in line with ESFRI Roadmap, its priorities but also taking into consideration existing large infrastructures. It does not anticipate launching new large infrastructures in Croatia, instead it lists existing ESFRI infrastructures that have been recognised as the most interesting for Croatia to join. Defined priorities regarding national infrastructure and large international projects (projects from the ESFRI/ERIC Roadmap) are listed as well in the S3 draft and developed taking into account same analysis that has been used in S3. For each of these infrastructures, financial obligations have been listed. Investment plan in research</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|--|
| | | | <p>ERA</p> <p>4. Implementation of Horizon 2020 initiatives</p> <p>5. Paneuropean research infrastructures (ESFRI projects)</p> <p>6. Indicative budget for financing RI set in the Roadmap for 2014-2023.</p> | <p>infrastructures on an annual basis for 2014-2020 and funding sources for 3 ministries (MSES, MoEC and MoE) is included as annex 1 to the document.</p> |
| <p>T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.</p> | <p>1 - A strategic policy framework for digital growth, for instance, within the national or regional smart specialisation strategy is in place that contains:</p> | <p>No</p> | | <p>The development of e-Croatia strategy will start in 3Q 2014. It will set up strategic objectives and measures related only to ICT investments in public sector, while SME Development Strategy of the Republic of Croatia 2013-2020 sets up strategic objectives and measures related to development of ICT products and services in private sector. The Strategy will, as well, take into account other national strategies covering ICT development in specific sectors (e.g. national Health Strategy contains an important part regarding development of e-health). Objectives in line with the DAE 2020 will be defined.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|-----------|--|
| | | | | Law on the State information infrastructure requests a coordinated approach to ICT project development in public sector. It defines mechanism for monitoring and coordination of all public ICT projects, regardless on the sources of financing. The same mechanism defined by this Law, will be used to identify project pipeline to be financed from ESI funds. |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 2 - budgeting and prioritisation of actions through a SWOT or similar analysis consistent with the Scoreboard of the Digital Agenda for Europe; | No | | |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 3 - an analysis of balancing support for demand and supply of ICT should have been conducted; | No | | |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and | 4 - indicators to measure progress of interventions in areas such as digital literacy, e-inclusion, e-accessibility, and progress of e-health within the limits of | No | | |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|-----------|--|
| public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | Article 168 TFEU which are aligned, where appropriate, with existing relevant sectoral Union, national or regional strategies; | | | |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 5 - assessment of needs to reinforce ICT capacity-building. | No | | |
| T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups. | 1 - A national or regional NGN Plan is in place that contains: | No | | <p>Croatian implementation of NGN Plan in the period 2014-2020 is formally covered by series of documents (strategies, implementation programmes, studies, operative programmes):</p> <ul style="list-style-type: none"> - Strategy for Broadband Development in the Republic of Croatia for 2012 – 2015 (OG No. 144/11) - New Strategy for Broadband Development in the Republic of Croatia for 2016 – 2020 with Implementation Programme containing detail measures has to be drafted and adopted by the Government by the end of 2015. High-speed Internet access targets defined within this Strategy will |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|--|
| | | | | <p>be aligned with DAE targets- pillar 4.</p> <ul style="list-style-type: none"> - Study on funding models and support for investment in broadband infrastructure (2012) - National Framework Program (ONP) for the development of broadband infrastructure in areas lacking of sufficient commercial interest for investments (access, last mile) - National program for backhaul broadband infrastructure (NP-BBI) (currently being drafted). |
| <p>T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.</p> | <p>2 - a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;</p> | <p>Yes</p> | <p>Study on funding models and support for investment in broadband infrastructure (drafted in 2012); chapter 2 & annex A; chapter 4 & annex B</p> <p>National Framework Program (ONP) for development of broadband infrastructure in areas lacking of sufficient commercial interest for investments</p> | <p>Study contains broadband infrastructure coverage analysis by counties, municipalities and settlements (mapping white, grey, black areas) and economic analysis of implementation costs of NGN network aligned with DAE targets, taking into account the re-use of existing operators' infrastructure (ducts, access copper, antenna masts), as well as build-out of new infrastructure (only fiber-optic and LTE will be financed under ESIF). ONP is NGN plan for NGA development in areas lacking sufficient commercial interest for investments till 2020, aiming to reach DAE targets, taking account EU best practice to provide an open</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|--|--|
| | | | <p>Interactive broadband coverage map developed by NRA gives overview of availability of basic and NGA coverage throughout Croatian settlements. It is quarterly updated with recent operators' coverage data</p> | <p>infrastructure at an affordable cost, to an adequate quality, in line with EU competition and state aid legislation. It brings guidelines for local municipalities for project implementation: most suitable investment model (Private DBO/Public DBO/PPP model) is chosen for project after needs analysis, existing situation on field and public consultation held on each project.</p> |
| <p>T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.</p> | <p>3 - sustainable investment models that enhance competition and provide access to open, affordable, quality and future-proof infrastructure and services;</p> | <p>Yes</p> | <p>Study on funding models and support for investment in broadband infrastructure (drafted in 2012), chapter 3</p> <p>National Framework Program (ONP) for the development of broadband infrastructure in areas lacking of sufficient commercial interest for investments ONP, chapter 4.2</p> | <p>Study contains analysis of broadband infrastructure investment models, according to EC Guide to Broadband Investment and best practice from other EU countries. Estimation of infrastructure investments is based on economic analysis (a description of the methodology and data sources used for the analysis, including the involvement of the stakeholders; a map of existing private and public infrastructures and planned investments, as well as data on coverage). Study is taking account existing private and public infrastructures and planned investments; sustainable investment models enhancing competition and providing access to open, affordable, quality and future proof infrastructure and services; measures to stimulate private investment. Private DBO,</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|---|--|
| | | | | public DBO and PPP were identified as prospective investment models for Croatia; models to be considered as state aid measures in white and grey areas were identified. |
| <p>T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.</p> | <p>4 - measures to stimulate private investment.</p> | <p>Yes</p> | <p>Study on funding models and support for investment in broadband infrastructure (chapter 5)</p> <p>Electronic Communications Act (O.J. 71/14, Article 16 (5, 6, 7, 8))</p> <p>Ordinances OG 131/2012; OG 108/10; OG 136/11; OG 155/09; OG No.107/13</p> | <p>Study on funding models and support for investment in broadband infrastructure contains proposals of main measures for support of broadband infrastructure investments, including State Aid measure in white and grey areas, covering both access and backbone portion of networks. It outlines needed budgetary resources for broadband interventions (EU, national, regional and other sources as appropriate).</p> <p>Electronic Communications Act (O.J. 71/14, Article 16 (5, 6, 7, 8)) determines establishment of the „Network industries development fund“ by the end 2014. The fund is established to help achieve priorities defined in relevant strategies and programs of the Government with the aim to foster development of electronic communications networks and services, especially for deployment of high-speed access networks. Financial aid will be granted according to the</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | State aid rules. |
| T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA). | 1 - The specific actions are: measures have been put in place with the objective of reducing the time and cost involved in setting-up a business taking account of the targets of the SBA; | Yes | - Companies Act (OG No. 111/93, 34/99, 121/99 - authoritative interpretation, 52/00 - Decision of Constitutional Court of the Republic of Croatia, 118/03, 107/07, 146/08, 137 / 09, 152/11 - consolidated text, 111/12 and 68/13) (http://narodne-novine.nn.hr/clanci/sluzbeni/2011_12_152_3144.html); http://narodne-novine.nn.hr/clanci/sluzbeni/2012_10_111_2392.html ; http://narodnenovine.nn.hr/clanci/sluzbeni/2013_06_68_1348.html) | By the Companies Act and Amendments to the Companies Act (see column 6) specific measures have been introduced for reducing the time needed to set-up business up to 3 working days (sub-criteria A) and for reducing the cost of setting-up business to max. 100€ (sub-criteria B). The criteria (sub-criteria A + B) was successfully applied to all types of entities in the small business sector and have shown practical improvements with regard to the criteria demands. |
| T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA). | 2 - The specific actions are: measures have been put in place with the objective of reducing the time needed to get licenses and permits to take up and perform the specific activity of an enterprise taking account of the targets | No | -Act on General Administrative Procedure (OG No 47/09) - Art. 101 and Art. 102 (http://narodne-novine.nn.hr/clanci/sluzbeni/2009_07_47_101.html) | The Act on general administrative procedure proscribes the standard deadline in the procedure of issuing decision to be completed no later than 30 days from the submission of the complete application. In addition, |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | of the SBA; | | 9_04_47_1065.html) -The SME Development Strategy of the RoC 2013–2020 (OG No.136/13) (http://narodne-novine.nn.hr/clanci/sluzbeni/2013_11_136_2926.html) | “silence is consent” principle is prescribed, meaning when a public authority in the proceedings in an orderly application fails issue decision within the 30 days, the request by applicant is automatically approved. There are some specific areas that require permits and licences issuing of which may still take up longer time. The example are crafts where are the three different types of trades. It will be necessary to map and analyse all specific areas and activities to determine those for which specific licences and permits are required and the time needed for issuing. |
| T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA). | 3 - The specific actions are: mechanism is in place to monitor the implementation of the measures of the SBA which have been put in place and assess the impact on SMEs. | Yes | - Companies Act (OG No. 111/93, 34/99, 121/99 - authoritative interpretation, 52/00 - Decision of Constitutional Court of the Republic of Croatia, 118/03, 107/07, 146/08, 137 / 09, 152/11 - consolidated text, 111/12 and 68/13) (http://narodne-novine.nn.hr/clanci/sluzbeni/2011_12_152_3144.html ; | The implementation of measures from 10 priority areas of the SBA is a continuous task and results are presented in the country SBA Fact Sheets. According to the SBA Fact Sheet 2013, Croatia is on a par with the EU average in ‘Entrepreneurship’ and ‘Skills and innovation’. Main priority should be the improvement of the business environment in respect of administrative and judicial weaknesses. In particular, the government should resume the programme of regulatory simplification. |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | http://narodne-novine.nn.hr/clanci/sluzbeni/2012_10_11_2392.html ; http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_68_1348.html) | |
| <p>T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.</p> | <p>1 - The actions are: measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Article 3, Article 4 and Article 5 of Directive 2010/31/EU of the European Parliament and of the Council;</p> | <p>No</p> | <p>Ordinance on energy audits of construction works and energy certification of buildings (OG 81/12, 29/13, 78/13)</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2012_07_81_1906.html ; http://narodne-novine.nn.hr/clanci/sluzbeni/2013_03_29_518.html ; http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_78_1616.html</p> <p><i>Building Act (Official Gazette, 153/13)</i> http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_78_1616.html</p> | <p>Ordinance on energy audits of construction works and energy certification of buildings prescribes that necessary calculations are in line with methodology for calculating energy performance of buildings. Methodology is defined as set of procedures for conducting energy audits of building which also consists of Algorithm for calculation of energy performance of buildings. The definition of the energy performance of a building is transposed in Art 3 (1) of The Building Act. Energy performance indicator and numeric indicator of primary energy use are calculated for single-family houses while for other types of buildings that will be prescribed in new Technical regulation by the 3Q 2014. Cost-optimal levels of minimum energy performance</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|---|
| | | | <p>novine.nn.hr/clanci/sluzbeni/2013_12_153_3221.html</p> <p>The additional references are provided in separate files under the Documents section.</p> | <p>requirements have been calculated for single family houses, and other buildings category will be covered till the end of 2014. The additional information and explanation is provided in separate files under the Documents section.</p> |
| <p>T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.</p> | <p>2 - The actions are: measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;</p> | <p>No</p> | <p><i>Building Act (Official Gazette, 153/13)</i> http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_153_3221.html</p> <p>Ordinance on energy audits of construction works and energy certification of buildings (OG 81/12, 29/13, 78/13)</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2012_07_81_1906.html ;</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2013_03_29_518.html ;</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2013_03_29_518.html ;</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2013_03_29_518.html ;</p> | <p>Art 22 of Building Act prescribe the energy performance certificates. The Act and "Ordinance on energy audits of construction works..." prescribe the requirements for energy performance certificates to contain at least the following information: energy performance of the building, reference values, and recommendations for the cost-effective improvement of the energy performance. The obligation for the (buildings) certificates to contain also the indication as to where the owner or tenant can receive more detailed information on energy performance of the building reference values will be stipulated through revision of "Ordinance on energy audits of construction works...". Namely this revised Ordinance, due due by the end of 2014 will prescribe the new version of the energy certificates of the buildings (i.e.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | <p>3_06_78_1616.html</p> <p>The additional references are provided in separate files under the Documents section.</p> | <p>content and design of the certificate) and will contain the information on reference values. The additional information is provided in separate files under the Documents section</p> |
| <p>T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.</p> | <p>3 - The actions are: measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27/EU of the European Parliament and of the Council;</p> | <p>Yes</p> | <p>HR Annual report on indicative national energy efficiency target for 2020 (http://ec.europa.eu/energy/efficiency/eed/doc/reporting/2013/hr_report2013_hr.pdf)</p> | <p>The data on the national indicative energy efficiency target are taken from 2013 HR Annual report on indicative national energy efficiency target for 2020 submitted to EC.</p> <p>See page 23 of the report, two tables “Final energy consumption in 2020” and “Primary energy consumption in 2020”</p> |
| <p>T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.</p> | <p>4 - The actions are: measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and of the Council on energy end-use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings.</p> | <p>Yes</p> | <p>Act on Energy End-use Efficiency (OG 152/08, 55/12, 101/13, 14/14)</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2008_12_152_4159.html</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/201</p> | <p>Regulatory framework ensuring accurate individual meters and billing based on actual consumption is set primarily by the Act on Energy End-use Efficiency which in Art 28 sets the rules for Metering and information on billing. Additional provisions are placed in the energy source specific regulation (electricity, heating / cooling). Provisions for smart grids are established art 38 of the Law on energy. The obligatory content of the</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | <p>2_05_55_1358.html</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2013_08_101_2275.html</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2014_02_14_298.html</p> <p>Law on energy (OG 120/12) http://narodne-novine.nn.hr/clanci/sluzbeni/2014_02_14_298.html</p> <p>The additional references are provided in separate files under the Documents section.</p> | <p>bill for energy use that includes all the relevant data are prescribed by the energy source specific regulation. The additional information and explanation is provided in separate files under the Documents section.</p> |
| <p>T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power.</p> | <p>1 - Support for co-generation is based on useful heat demand and primary energy savings consistent with Article 7(1) and points (a) and (b) of Article 9(1) of Directive 2004/8/EC;</p> | <p>No</p> | <p>“National potential for cogeneration in the RoC”; http://www.mingo.hr/userdocs/images/energetika/Nacionalni%20potencijal%20kogeneracije%20u%20Republici%20Hrvatskoj.pdf</p> | <p>“National potential for cogeneration in the RoC”(2009), contains assessment of the potential for generation of thermal energy form the high efficient cogeneration, having in mind available energy sources and technologies that can be used in the co-generation facilities and the potential barriers for realisation of the high efficient</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|---|-----------------------------|---|---|
| | | | Thermal Energy Market Act (Official Gazette 80/13) http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_80_1655.html | cogeneration potential. In 2015 it is expected to update the version of a document from 2009 subsequent to new Directive 2012/27. Besides assessment of the current situation "National potential for cogeneration in the RoC" also contains the assessment of the cogeneration potential, including methodology development, technical potential, economic feasibility modelling and subsequent economic potential as well as impact in terms of emissions. Updated assessment of the cogeneration potential and corresponding emission reduction will also be prepared in 2015. The additional information and explanation is provided in separate files under the Documents section. |
| T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power. | 2 - Member States or their competent bodies have evaluated the existing legislative and regulatory framework with regard to authorisation procedures or other procedures in order to: (a) encourage the design of co-generation units to match economically justifiable demands for useful heat output and avoid production of more heat than useful heat; and (b) reduce the regulatory and non-regulatory barriers to an increase in co-generation. | No | The National Energy Strategy http://narodne-novine.nn.hr/clanci/sluzbeni/2009_10_130_3192.html Electricity act (OG 22/2013) http://narodne-novine.nn.hr/clanci/sluzbeni/2013_02_22_358.html Regulation on the Tariff system | The Energy Strategy provides overall directions by defining that DHS with the heat and electricity cogeneration will be stimulated, if proves to be economically viable. Electricity Act states how facility generating electricity in a highly efficient manner acquire the status of an eligible producer of electricity, on the basis of a decision issued by the Croatian Regulatory Agency. Eligible producers may become entitled to an incentive price determined by tariff system for |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|--|
| | | | <p>for the production of electricity from RES and cogeneration (OG 133/13, 151/13, 20/14) http://www.hrote.hr/default.aspx?id=126</p> <p>The additional references are provided in separate files under the Documents section.</p> | <p>the generation of electricity from RES and cogeneration. In addition the electricity market operator shall have precedence in purchasing electricity from RES and cogeneration from an eligible producer who is within the incentive system. The evaluation of existing legislative and regulatory framework will be part of the Programme for the use of efficiency potential in heating and cooling 2016-2030 (due by 1 July 2015). The additional information and explanation is provided in separate files under the Documents section.</p> |
| <p>T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy sources.</p> | <p>1 - Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1), Article 16(2) and 16(3) of Directive 2009/28/EC of the European Parliament and of the Council.</p> | <p>Yes</p> | <p>Relevant energy legislation for support scheme: National Energy Strategy, Electricity market act, Thermal market act, Gas market act, Energy act, the Act on EE and Environmental Protection Fund, the Construction and physical planning act and the National action plans for EE and RES.</p> <p>The information on support</p> | <p>Provisions for support schemes for RES are transposed and regulated by various energy legislation (see references) and Information about these schemes is available at the websites of the Ministry of Economy, Croatian Market Operator (CEMO), Croatian Electric Utility (HEP), Croatian TSO for electricity (HOPS), Ministry of Construction and Spatial Planning and Energy Efficiency Fund. Priority and guaranteed access to the grid system and priority in dispatching to electricity of renewables is provided in Art 5 of the Electricity Market Act.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|---|
| | | | <p>schemes: http://www.mingo.hr/default.aspx?id=3196; http://www.hrote.hr/default.aspx?id=131; etc. The additional references are provided in separate files under the Documents section.</p> | <p>The standard rules relating to the bearing and sharing of costs of technical adaptations are available at the website of HOPS (transmission operator) and ODS (distribution operator). The additional information and explanation is provided in separate files under the Documents section.</p> |
| <p>T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy sources.</p> | <p>2 - A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC.</p> | <p>Yes</p> | <p>National renewable energy action plan http://www.vlada.hr/hr/nasl_overnica/sjednice_i_odluke_vlade_rh/2013/120_sjednica_vlade_republike_hrvatske/120_2</p> | <p>National renewable energy action plan has been adopted in 2013.</p> <p>National 2020 targets in electricity, transport and heating & cooling are set in the Chapter 3.2. of the NREAP.</p> <p>List of measures (provided in Chapter 4.1 of the NREAP) sets the responsibilities and target groups for each single measure; Follow up description of measure provide more details on the cooperation mode.</p> <p>Measures to develop existing/mobilise new biomass resources are set in the Chapter 4.6. of the NREAP.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|---|---|
| | | | | <p>Measures to fulfil the requirements included in the articles 13 to 19 of Directive 2009/28/EC are set in the Chapter 4 of the NREAP.</p> <p>The NREAP follows the template provided by the European Commission.</p> |
| <p>T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation</p> | <p>1 - A national or regional risk assessment with the following elements shall be in place:</p> | <p>No</p> | <p>Law on Protection & Rescue</p> <ul style="list-style-type: none"> • http://narodne-novine.nn.hr/clanci/sluzbeni/2004_12_174_3011.html; • http://narodne-novine.nn.hr/clanci/sluzbeni/2007_07_79_2494.html; • http://narodne-novine.nn.hr/clanci/sluzbeni/2009_03_38_846.html; • http://narodne-novine.nn.hr/clanci/sluzbeni/2010_11_127_3294.html | <p>The existing regulation i.e. Law on Protection & Rescue (OG 174/04, 79/07, 38/09, 127/10) & Law on Protection from Natural Disasters merely state the responsible body to deal with catastrophes. RoC currently has a hazards assessment that was made on the national and on local levels and has been sufficient for the protection and rescue needs in the RoC and for development of protection and rescue plans on all levels. In order to fulfil the conditionality (to have a national or regional risk assessment, description of the process, methodology, methods and non-sensitive data; a description of single-risk and multi-risk scenarios; and to have national climate change adaptation strategies taken into account) and have a DR assessment additional legal documents are adopted such as the Government decision in the bodies responsible to calculate certain risks and writing scenarios,</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|--|
| | | | <p>Law on Protection from Natural Disasters (OG 73/97)</p> <ul style="list-style-type: none"> • http://narodne-novine.nn.hr/clanci/sluzbeni/1997_07_73_1259.html <p>Hazards assessment</p> <ul style="list-style-type: none"> • http://www.duzs.hr/download.aspx?f=dokumenti/Clanci/PROJENA_web_20.03.2013..pdf | <p>methodology etc. The additional information provided in separate files under the Documents section.</p> |
| <p>T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation</p> | <p>2 - a description of the process, methodology, methods, and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;</p> | <p>No</p> | <p>See references under Criterion 1 of the ex-ante conditionality TO 5.1.</p> | <p>See explanation under Criterion 1 of the ex-ante conditionality TO 5.1.</p> |
| <p>T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation</p> | <p>3 - a description of single-risk and multi-risk scenarios;</p> | <p>No</p> | <p>See references under Criterion 1 of the ex-ante conditionality TO 5.1.</p> | <p>See explanation under Criterion 1 of the ex-ante conditionality TO 5.1.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|--|--|
| T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation | 4 - taking into account, where appropriate, national climate change adaptation strategies. | No | See references under Criterion 1 of the ex-ante conditionality TO 5.1. | See explanation under Criterion 1 of the ex-ante conditionality TO 5.1. |
| T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes. | 1 - In sectors supported by the ERDF, the Cohesion Fund and the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with the first indent of Article 9(1) of Directive 2000/60/EC having regard, where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected. | Yes | <ul style="list-style-type: none"> • Strategy on Water Management (OG 91/08) • Water Act (OG 153/09, 130/11, 56/13, 14/14) - Arts 5, 197 & 199; • Water Management Financing Act (OG 153/09, 56/13) – Art 3; • Regulation by MoA on contents of RBMP (OG 3/11) • River Basin Management Plan (OG 82/13) • Regulation on efficiency benchmarks for the providers of water service (OG 112/10) • Regulation on the lowest base price of water | A water pricing policy reflecting the principle of cost recovery of water services and the “polluter pays” / “users pay” principle (as per Article 9 of WFD) is integrated water management legislative framework (see references). Principle of full cost recovery for all water uses goes in parallel and underlining the importance of social affordability of water services. Incentive pricing for other than the water services is in place and point source and diffuse pollution are considered within the environmental and resource cost. Given the manner of collecting and spending of Water fees, it can be concluded that they can be interpreted in the context of benefits related to environmental and resource costs. To some extent the room for improvements does exist, especially related to the method of determining the fee rate in a way to reflect the principles of this concept in more precise manner. The additional information and explanation is |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | <p>services and the cost types which are covered by the price of water services (OG 112/1</p> <p>All links at: http://www.voda.hr/001-945</p> | <p>provided in separate files under the Documents section</p> |
| <p>T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.</p> | <p>2 - The adoption of a river basin management plan for the river basin district consistent with Article 13 of Directive 2000/60/EC.</p> | <p>No</p> | <p>The River Basins Management Plan (OG 82/13) http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_82_1737.html</p> <p>Water Act (OG 153/09, 130/11, 56/13, 14/14) - Arts 5, 197 & 199;</p> <p>Ordinance on water quality standards (OG 73/13)</p> <p>Ordinance on special conditions for the performance of sampling & testing of waters (OG 74/13).</p> | <p>RBMP was adopted June 2013. Legal basis, scope, type and method of testing of water status is regulated by the Water Act, and accompanying bylaws (see reference). Croatian Waters are responsible for implementing the monitoring of water status & its Central Water Management Laboratory (WML) is the official laboratory for sampling & analysis. Besides WML, authorised collaborative laboratories also perform the activities of sampling and testing of waters for certain indicators or groups of parameters. Monitoring network has been set up with monitoring points listed and mapped by RBMP, however not covering all points and parameters; complete & consistent classification system will be established by 2015. A</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | Documents available at: http://www.voda.hr/001-945 | list of environmental objectives for water bodies is part of the RBMP adopted in June 2013, including candidates for derogations from the standard objective “good status by end-2015. The additional information and explanation is provided in separate files under the Documents section. |
| T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy. | 1 - An implementation report as requested by Article 11(5) of Directive 2008/98/EC has been submitted to the Commission on progress towards meeting the targets set out in Article 11 of Directive 2008/98/EC. | Yes | Article 13 of the Act on Sustainable Waste Management (OG No 94/13) (http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf) | Article 13 of the Act on Sustainable Waste Management (OG No 94/13) determines the Croatian Environmental agency as competent body for coordination of reporting and reporting on implementation of Directive 2008/98/EC. Following that requirement An implementation report was submitted to the Commission (Eurostat) through the eDAMIS web portal on 22 October 2013 by the Croatian Environment Agency. The confirmation of submission is provided as a separate document annexed to this table. The report contains data on the progress in accordance with the Article 11 requirements. |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|--|
| <p>T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.</p> | <p>2 - The existence of one or more waste management plans as required under Article 28 of Directive 2008/98/EC;</p> | <p>Yes</p> | <p>Waste Management Strategy of the RoC (OG 130/05) - http://narodne-novine.nn.hr/clanci/sluzbeni/289920.html)</p> <p>Waste Act (OG 178/04) - http://narodne-novine.nn.hr/clanci/sluzbeni/313723.html</p> <p>Information about the WM plans developed so far on all levels are available at http://www.azo.hr/PlanoviGospodarenjaOtpadom01</p> <p>Act on Sustainable Waste Management (OG 94/13) http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf)</p> | <p>The Waste Management Plan (WMP) for the Republic of Croatia 2007-2015 and respective Waste Management Plans for each County are in force. All Plans are in line with the Waste Management Strategy of the RoC and Waste Act. Articles 9, 10 and 11 of the Waste Act prescribe the content of the national, county and local WM plans respectively. All of these plans contain data required by the Directive.</p> <p>The WM Plans will remain in force until the end of 2015, as the planning period was from 2007 up to 2015.</p> <p>The preparatory activities for development of new WMP for the next (six-year) planning period started. The content of the new plans is prescribed in Art 17, 21, and 22 of the existing Act on Sustainable Waste Management (OG 94/13). The proscribed content includes all relevant & mandatory elements as required by the Article 28 of the Directive 2008/98/EC.</p> <p>The additional information and explanation is provided in separate files under the Documents section.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|---|---|
| T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy. | 3 - The existence of waste prevention programmes, as required under Article 29 of Directive 2008/98/EC; | No | | The National Waste Prevention program will be prepared together with the new National Waste Management Plan for the period 2015-2021, as a constituent part of the new Plan. The content of the Waste Prevention program is prescribed by the Articles 17 and 18 of the Act on Sustainable Waste Management (OG 94/13), and it shall include waste prevention targets and measures required to attain waste minimisation or waste prevention targets. |
| T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy. | 4 - Necessary measures to achieve the targets on preparation for re-use and recycling by 2020 consistent with Article 11(2) of Directive 2008/98/EC have been adopted. | No | Act on Sustainable Waste Management (OG No 94/13) - http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf | Art 27 & 29 of the Act on Sustainable WM prescribe MW disposal charge as a new landfill tax which will be applied if amount of deposited waste exceeds the amount of waste allowed to be landfilled. The Act also prescribes additional tax to stimulate units of local government to reduce the quantity of MW generated. Regulations regarding waste energy recovery and incineration are under development including consideration of introduction of incineration tariff policy. As for the paying scheme in according with the Art 33 of the Act the service provider shall charge the user of the public service a fee which is proportional to the amount of the waste submitted during the accounting period. Deposit |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|-----------|---|
| | | | | system for certain type of waste is set up in accordance with procedures and targets set in the Art 53 of Act. Art 35 of Act provides all necessary measures for achievement of 2020 target for reuse and recycling. The additional information and explanation is provided under Documets section. |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | 1 - The existence of a comprehensive transport plan or plans or framework or frameworks for transport investment which complies with legal requirements for strategic environmental assessment and sets out: | No | | <p>Republic of Croatia is in the process of preparing the new National Transport Development Strategy (hereinafter referred to as: the TDS).</p> <p>This process, finishing with the adoption of the TDS by the Government of the Republic of Croatia in this segment of preparation, will be completed by the end of September 2014.</p> <p>Parallel with the preparation of the TDS, the Republic of Croatia will undertake the process of developing the National Traffic Model. It was contracted in March 2014 and will be finalized in March 2016.</p> <p>By the end of 2015 the Republic of Croatia will start the process of amendments to the TDS based on the National Traffic Model. This process along with the adoption of the finalized TDS by the Croatian Parliament will</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|-----------|--|
| | | | | <p>be finalized by December 2016.</p> <p>Please see a detailed Action plan for the future development of the TDS and the mature project pipeline in Action plan table.</p> |
| <p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.</p> | <p>2 - the contribution to the single European Transport Area consistent with Article 10 of Regulation (EU) No .../2013 of the European Parliament and of the Council, including priorities for investments in:</p> | <p>No</p> | | <p>Republic of Croatia is in the process of preparing the new National Transport Development Strategy (hereinafter referred to as: the TDS).</p> <p>This process, finishing with the adoption of the TDS by the Government of the Republic of Croatia in this segment of preparation, will be completed by the end of September 2014.</p> <p>Parallel with the preparation of the TDS, the Republic of Croatia will undertake the process of developing the National Traffic Model. It was contracted in March 2014 and will be finalized in March 2016.</p> <p>By the end of 2015 the Republic of Croatia will start the process of amendments to the TDS based on the National Traffic Model. This process along with the adoption of the finalized TDS by the Croatian Parliament will be finalized by December 2016.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|---|-----------------------------|-----------|---|
| | | | | Please see a detailed Action plan for the future development of the TDS and the mature project pipeline in Action plan table. |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | 3 - the core TEN-T network and the comprehensive network where investment from the ERDF and the Cohesion Fund is envisaged; and | No | | <p>Republic of Croatia is in the process of preparing the new National Transport Development Strategy (hereinafter referred to as: the TDS).</p> <p>This process, finishing with the adoption of the TDS by the Government of the Republic of Croatia in this segment of preparation, will be completed by the end of September 2014.</p> <p>Parallel with the preparation of the TDS, the Republic of Croatia will undertake the process of developing the National Traffic Model. It was contracted in March 2014 and will be finalized in March 2016.</p> <p>By the end of 2015 the Republic of Croatia will start the process of amendments to the TDS based on the National Traffic Model. This process along with the adoption of the finalized TDS by the Croatian Parliament will be finalized by December 2016.</p> <p>Please see a detailed Action plan for</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|-----------------------------|-----------------------------|-----------|---|
| | | | | the future development of the TDS and the mature project pipeline in Action plan table. |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | 4 - secondary connectivity; | No | | <p>Republic of Croatia is in the process of preparing the new National Transport Development Strategy (hereinafter referred to as: the TDS).</p> <p>This process, finishing with the adoption of the TDS by the Government of the Republic of Croatia in this segment of preparation, will be completed by the end of September 2014.</p> <p>Parallel with the preparation of the TDS, the Republic of Croatia will undertake the process of developing the National Traffic Model. It was contracted in March 2014 and will be finalized in March 2016.</p> <p>By the end of 2015 the Republic of Croatia will start the process of amendments to the TDS based on the National Traffic Model. This process along with the adoption of the finalized TDS by the Croatian Parliament will be finalized by December 2016.</p> <p>Please see a detailed Action plan for the future development of the TDS and</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|-----------|--|
| | | | | the mature project pipeline in Action plan table. |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | 5 - a realistic and mature pipeline for projects for which support from the ERDF and the Cohesion Fund is envisaged; | No | | Parallel with the process of preparing the Transport Development Strategy, the Republic of Croatia (Ministry of Maritime Affairs, Transport and Infrastructure/MMATI) in cooperation with Jaspers experts during their monthly missions has developed a preliminary project pipeline setting a realistic project list with a time schedule that could be amended. At the same time, the MMATI is putting efforts in expanding the project list by launching a Call for proposals in March 2014, releasing funds to the potential project beneficiaries in order to prepare technical documentation for the project (feasibility study included). Additional calls are envisaged in the following months. Please see a detailed Action plan for the future development of the TDS and the mature project pipeline in Action plan table. |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at | 6 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline. | No | | The Republic of Croatia, in order to boost the capacity of the final beneficiaries is considering to create specialized project promoters for specific groups of projects whose task |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|-----------|--|
| regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | | | | <p>would be the development, the procurement and the implementation of the projects.</p> <p>Please see details for development of the Administrative Capacity Concept in the Action plan.</p> |
| <p>T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.</p> | <p>1 - The existence of a section on railway development within the transport plan or plans or framework or frameworks as set out above which complies with legal requirements for strategic environmental assessment (SEA) and sets out a realistic and mature project pipeline (including a timetable and budgetary framework);</p> | <p>No</p> | | <p>Republic of Croatia is in the process of preparing the new National Transport Development Strategy (TDS).</p> <p>Preparation of the TDS is followed by the SEA process in parallel. This process, finishing with the adoption of the TDS by the Government of the Republic of Croatia in this segment of preparation, will be completed by the end of September 2014. Croatia will undertake the development of the National Traffic Model. It was contracted in March 2014 and will be finalized in March 2016. By the end of 2015 the Croatia will start the amendment of TDS based on the results of the Traffic Model. This process along with the adoption of the finalized TDS by the Croatian Parliament will be finalized by December 2016.</p> <p>Croatia, in cooperation with Jaspers experts has developed a preliminary project pipeline setting a realistic project list with a time schedule that</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|-----------|--|
| | | | | <p>could be amended</p> <p>Please see a detailed Action plan for the future development of the TDS and the mature project pipeline.</p> |
| <p>T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.</p> | <p>2 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p> | <p>No</p> | | <p>The Republic of Croatia, in order to boost the capacity of the final beneficiaries is considering to create specialized project promoters for specific groups of projects whose task would be the development, the procurement and the implementation of the projects.</p> <p>Please see details for development of the Administrative Capacity Concept in the Action plan</p> |
| <p>T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN</p> | <p>1 - The existence of a section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure within the transport plan or plans or framework or frameworks which:</p> | <p>No</p> | | <p>Republic of Croatia is in the process of preparing the new National Transport Development Strategy (TDS).</p> <p>Preparation of the TDS is followed by the SEA process in parallel. This process, finishing with the adoption of the TDS by the Government of the Republic of Croatia in this segment of preparation, will be completed by the end of September 2014. Croatia will undertake the development of the</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|-----------|--|
| T comprehensive and core networks and to promoting sustainable regional and local mobility. | | | | <p>National Traffic Model. It was contracted in March 2014 and will be finalized in March 2016. By the end of 2015 the Croatia will start the amendment of TDS based on the results of the Traffic Model. This process along with the adoption of the finalized TDS by the Croatian Parliament will be finalized by December 2016.</p> <p>Please see a detailed Action plan for the future development of the TDS and the mature project pipeline.</p> |
| T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility. | 2 - complies with legal requirements for strategic environmental assessment; | No | | <p>Republic of Croatia is in the process of preparing the new National Transport Development Strategy (hereinafter referred to as: the TDS).</p> <p>As it has chosen a „bottom-up“ approach in preparing the TDS, the sectoral transport development strategies have been finalized in July 2013. Currently, the Republic of Croatia is in a process of merging the sector transport development strategies in a single integrated document followed by the SEA process in parallel. This process, finishing with the adoption of the TDS by the Government of the Republic of Croatia in this segment of preparation, will be</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|-----------|--|
| | | | | <p>completed by the end of September 2014.</p> <p>Please see a detailed Action plan for the future development of the TDS and the mature project pipeline in Action plan table.</p> |
| <p>T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.</p> | <p>3 - sets out a realistic and mature project pipeline (including a timetable and budgetary framework);</p> | <p>No</p> | | <p>Parallel with the process of preparing the Transport Development Strategy, the Republic of Croatia (Ministry of Maritime Affairs, Transport and Infrastructure/MMATI) in cooperation with Jaspers experts during their monthly missions has developed a preliminary project pipeline setting a realistic project list with a time schedule that could be amended. At the same time, the MMATI is putting efforts in expanding the project list by launching a Call for proposals in March 2014, releasing funds to the potential project beneficiaries in order to prepare technical documentation for the project (feasibility study included). Additional calls are envisaged in the following months.</p> <p>Please see a detailed Action plan for the future development of the TDS and the mature project pipeline in Action plan table.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility. | 4 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline. | No | | <p>The Republic of Croatia, in order to boost the capacity of the final beneficiaries is considering to create specialized project promoters for specific groups of projects whose task would be the development, the procurement and the implementation of the projects.</p> <p>Please see details for development of the Administrative Capacity Concept in the Action plan table.</p> |
| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 1 - A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that: | Yes | Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020), Link: http://www.mspm.hr/djelokrug_aktivnosti/socijalna_skrb/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_2014_2020/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_republike_hrvatske_2014_2020 | Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020) - adopted by Government of Republic of Croatia in March 2014. |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|---|--|
| | | | | |
| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 2 - provides a sufficient evidence base to develop policies for poverty reduction and monitor developments; | Yes | Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020) Data on employment- p21, , data on housing p27, data on social services, health services – p 32 | The analysis of the Croatia’s context is conducted. It covers all three stands of active inclusion – adequate income support (including social welfare, family assistance, supports form pension and health system, etc.), labour market activation (such as analysis of population in risk of poverty according to their labour market situation and analysis of the active labour market measures that have been implemented so far) and access to enabling services (analysis of needs for services in different sectors, such as social welfare sector, health sector, education sector on the basis of data analysis of needs for services and number of people at a disadvantage |
| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 3 - contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including people from marginalised communities; | No | Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020) http://www.mspm.hr/djelokrug_aktivnosti/socijalna_skrb/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_2014_2020/strategija_borbe_protiv_sirom | Measures for implementation of the Strategy for fight against poverty and social exclusion will be developed within a separate implementation programme of the strategy which are to cover 3-years periods until 2020. First implementation plan is to be adopted in Q3 2014. |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | astva_i_socijalne_iskljucenosti_republike_hrvatske_2014_2020, page 16. | |
| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 4 - involves relevant stakeholders in combating poverty; | Yes | <p>Decision on establishment of working group for development of Strategy for fight against poverty: Government decision, Class: 022-03713-04/112, Reg.no: 50301-04/04-13-2, 21 March 2013, can be obtained at: https://vlada.gov.hr/UserDocsImages//Sjednice/Arhiva//81.%20-%2022.pdf</p> <p>Call for public debate on draft strategy: http://www.mspm.hr/novosti/vijesti/poziv_na_javnu_raspravu_o_prijedlogu_strategije_borbe_protiv_siromastva_i_socijalne_iskljucenosti_u_republici_hrvatskoj_2014_2020</p> | <p>There is a working group established for the design and preparation of the Strategy (Government decision, Class: 022-03713-04/112, Reg.no: 50301-04/04-13-2, 21 March 2013, can be obtained at: https://vlada.gov.hr/UserDocsImages//Sjednice/Arhiva//81.%20-%2022.pdf</p> <p>From the decision it is evident that all relevant stake holders have been included in the design of the Strategy. These include relevant bodies from sector of education, health, social welfare, pension system, labour market, NGO sector, social partners etc. Also, public debate on draft Strategy was organized and lasted until February 2014. Link on call for public debate: http://www.mspm.hr/novosti/vijesti/poziv_na_javnu_raspravu_o_prijedlogu_strategije_borbe_protiv_siromastva_i_socijalne_iskljucenosti_u_republici_hrvatskoj_2014_2020</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 5 - depending on the identified needs, includes measures for the shift from institutional to community based care; | Yes | <p>Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020)</p> <p>Plan of Deinstitutionalisation and Transformation of Social Welfare homes and Other Legal Entities Performing Social Welfare Activities in Republic of Croatia 2011 – 2016 (2018): Identified needs and goals can be found in chapters 3 (page 22-24; chapter 4 page 33-34; chapter 5, pages 44-46; chapter 6, pages 50-51)</p> | Based on Plan of deinstitutionalisation, MSPY and relevant stakeholders developed the Operational plan of transformation and deinstitutionalisation of social welfare homes and other legal entities performing social welfare activities in Republic of Croatia for the period 2014 – 2016 which was adopted by Minister's decision on 18th June 2014. It contains concrete measures for implementing deinstitutionalisation process until 2016 (Measures 2.2.1 Deinstitutionalisation; Measure 2.2.2 Activities related to coordinated planning on all levels; Measure 2.2.3 Transformation of social welfare homes). |
| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 6 - Upon request and where justified, relevant stakeholders will be provided with support for submitting project applications and for implementing and managing the selected projects. | Yes | <p>Government ordinance on internal organisation of Ministry of Social Policy and Youth (Official gazette 102/13):</p> <p>http://narodne-novine.nn.hr/clanci/sluzbeni/2013_08_102_2290.html , Articles: 28-32.</p> | <p>According to Government ordinance on internal organisation of MSPY, Service for EU Funds within MSPY is responsible for providing support to potential applicants / stakeholders of projects funded from EU structural funds in project preparation and implementation in the area of social inclusion an within the responsibility of MSPY.</p> <p>Also, as IB level 1, MSPY organises</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|--|--|
| | | | | information sessions for potential applicants for every grant scheme under responsibility of MSPY and published within EU structural funds. Furthermore, IB2 organises implementation sessions for grant beneficiaries in order to support the implementation and to provide information about financing, reporting, indicators etc. |
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 1 - A national Roma inclusion strategic policy framework is in place that: | Yes | <p>National Strategy for Roma Inclusion 2013 - 2020</p> <p>http://www.uljppnm.vlada.hr/index.php?option=com_content&view=article&id=113&Itemid=83</p> <p>Action Plan for the Implementation of the National Roma Inclusion Strategy for the Period 2013 – 2015</p> <p>http://www.uljppnm.vlada.hr/index.php?option=com_content&vi</p> | <p>Strategy for Roma Inclusion 2013 - 2020 - adopted by Government of Republic of Croatia in November 2012.</p> <p>Accompanying Action Plan 2013-2015 has been adopted by the Government on April 10, 2013.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|---|-----------------------------|--|---|
| | | | ew=article&id=113&Itemid=83 | |
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 2 - sets achievable national goals for Roma integration to bridge the gap with the general population. These targets should address the four EU Roma integration goals relating to access to education, employment, healthcare and housing; | Yes | <p>National Strategy for Roma Inclusion 2013 - 2020</p> <p>http://www.uljppnm.vlada.hr/index.php?option=com_content&view=article&id=113&Itemid=83</p> <p>Action Plan for the Implementation of the National Roma Inclusion Strategy for the Period 2013 – 2015</p> <p>http://www.uljppnm.vlada.hr/index.php?option=com_content&view=article&id=113&Itemid=83</p> | National Roma Integration Strategies (NRIS) includes Roma integration goals regarding education, employment, health care, social welfare, physical planning, housing and environmental protection, inclusion in social and cultural life and status resolution, combating discrimination and assistance in exercising rights for the Roma minority. |
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 3 - identifies where relevant those disadvantaged micro-regions or segregated neighbourhoods, where communities are most deprived, using already available socio-economic and territorial indicators (i.e. very low | No | For mapping of Roma communities and identification of disadvantaged micro-regions or segregated neighbourhoods, where communities are most | Both the NRIS and the accompanying Action Plan are quoting mapping of Roma communities and particularly of most disadvantaged microregions as a precondition for proper policy making. GOHRRNM plans to develop the |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|--|---|
| | educational level, long-term unemployment, etc); | | deprived, using already available socio-economic and territorial indicators (i.e. very low educational level, long-term unemployment, etc); see NRIS p. 53, 121, 124. <i>Action Plan 2013-2015, Chapter 8.1.2.</i> | database of Roma communities in Croatia, with particular attention to the mapping of the microregions where Roma are in the particularly difficult condition. This database and the mapping will be prepared by Q4 2016 in the framework of an IPA 2012 project “Support to National Minorities on the Local Level” (expected to start in Q2 2015). The mapping will be the basis for the policy design, implementation and monitoring as well as evaluation in relevant areas on both national and local level. Ministry of Science, Education and Sports, Regional Welfare Centres, as well as Croatian Employment Service (CES) are also having independent databases, with main data available to GOHRRNM and other interested parties (within the legal limits of the privacy protection system), and their main |
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 4 - includes strong monitoring methods to evaluate the impact of Roma integration actions and a review mechanism for the adaptation of the strategy; | Yes | For monitoring methods and review mechanism for the adaptation of the strategy designed, implemented and monitored in close cooperation and continuous dialogue with Roma civil society, regional and local authorities see NRIS | Sections quoted above on NRIS chapters and monitoring mechanisms contain also references to Roma civil society, regional and local authorities participation in the design, implementation and monitoring of the NRIS, as well as goals, objectives, progress indicators, introduces some baseline data, and indicates sources of |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|--|---|
| | | | chapter IV.8 (p. 116ff), and chapter V (p. 120ff) | <p>data.</p> <p>The Government of the Republic of Croatia appointed the Commission for Monitoring the Implementation of the National Roma Inclusion Strategy on October 3, 2013 http://www.uljppnm.vlada.hr/index.php?option=com_content&view=article&id=312:rjeenje-o-imenovanju-predsjednice-zamjenika-predsjednice-i-lanova-povjerenstva-za-praenje-provedbe-nacionalne-strategije-za-ukljuivanje-roma-za-razdoblje-od-2013-do-2020-godine-&catid=2:novosti</p> <p>In order to assess the results and effects of measures defined within the Strategy's objectives, their implementation will be subject to periodic evaluations</p> |
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 5 - is designed, implemented and monitored in close cooperation and continuous dialogue with Roma civil society, regional and local authorities. | No | <p>For the design, implementation and monitoring see: NRIS 2013-2020, Chapter VI. Strategy implementation, VI. 1</p> <p>For the roles of implementing bodies and partners; Local and regional self-government units,</p> | <p>On the local level, Roma civil society is also involved through its Roma National Minority councils (CNMs) and individual representatives (IRs), as per the Constitutional Act on Rights of National Minorities.</p> <p>There is a system of regular communication with regional/local</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|--|--|
| | | | <p>NRIS p. 129-130; Civil sector, p. 130-131</p> <p>For the financial aspects see: NRIS Chapter VI. Strategy implementation, VI. 2 Financial framework for Strategy implementation, p. 131-132</p> | <p>authorities both directly and through relevant professional associations (in (associations of municipalities, cities and counties) , providing support in development and implementation of regional/local Action Plans and communication and funds from relevant line ministries, as envisaged by NRIS.</p> |
| <p>T.09.2 - A national Roma inclusion strategic policy framework is in place.</p> | <p>6 - Upon request and where justified, relevant stakeholders will be provided with support for submitting project applications and for implementing and managing the selected projects.</p> | <p>Yes</p> | <p>http://www.pgfhr.org/index.php/hr/generiranje-projekta</p> | <p>Upon request GOHRRNM provides information and advice to relevant stakeholders in accessing the Funds. Technical assistance under the Operational Programmes envisage financing of the activities which support potential beneficiaries and regional stakeholders in successful applying and implementing the ESF and ERDF projects through building up their capacities as well as the activities that are relevant with respect to information, communication and visibility. Furthermore, organization of specialized events for potential applicants and/or project promoters to increase their comprehension and knowledge on how to prepare projects (share of best practices, conference and seminars) that is ready for financing, animation and boosting interest and</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|---|-----------------------------|---|---|
| | | | | knowledge for European Social Fund and providing public with results attained under Operational programme will be financed. |
| T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability. | 1 - A national or regional strategic policy framework for health is in place that contains: | Yes | Croatian National Health Care Strategy 2012-2020 (OG No. 116/12) | National health care strategy (NHCS) 2012-2020 is the umbrella strategic document in health sector and was adopted by the Croatian Government and Parliament. Priorities and measures defined in the Strategy clearly aim to improve access to high-quality health services and to ensure efficient and sustainable health care system. |
| T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability. | 2 - coordinated measures to improve access to health services; | Yes | <p>Croatian National health care strategy 2012-2020 (OG No. 116/12)</p> <p>Ministry of health strategic plan for the period 2014-2016</p> <p>Strategic plan for public health development for the period 2013-2015</p> <p>Strategic plan for palliative care development in Republic of</p> | <p>Measures to improve access to and quality of health care relate to:</p> <ul style="list-style-type: none"> • territorial access (strengthening emergency medical service and primary care, especially on islands and in geographically remote or scarcely populated areas, NHCS, English version, pp. 76-79, Ministry of health strategic plan for the period 2014-2016 p. 8); • out-reach initiatives for vulnerable groups, especially through disease prevention and health promotion (NHCS, English version, pp. 81-83, Strategic plan for public health development for the period 2013-2015, pp. 23-33); |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|--|--|
| | | | <p>Croatia for the period 2014-2016</p> <p>National plan of development of clinical hospital centers, clinical hospitals, clinics, and general hospitals in Republic of Croatia for the period 2014-2016 (draft)</p> | <ul style="list-style-type: none"> improvement of adequacy and efficacy of care through development of clinical guidelines and health technology assessment (NHCS, English version, pp. 80-81, Ministry of health strategic plan for the period 2014-2016 p. 15,16) |
| <p>T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.</p> | <p>3 - measures to stimulate efficiency in the health sector, through deployment of service delivery models and infrastructure;</p> | <p>Yes</p> | <p>Croatian National health care strategy 2012-2020 (OG No. 116/12)</p> <p>National plan of development of clinical hospital centers, clinical hospitals, clinics, and general hospitals in Republic of Croatia for the period 2014-2016 (draft)</p> | <p>Measures to stimulate efficiency in the health sector relate to:</p> <ul style="list-style-type: none"> service delivery models and infrastructure (reorganization of hospital system through establishment of regional hospital networks, increase in day hospital/day surgery and long-term/extend care capacities, with a corresponding reduction in acute hospital inpatient capacities; strengthening community-level health care, (NHCS, English version, pp. 76-79, draft National plan of development of clinical hospital centers, clinical hospitals, clinics, and general hospitals in Republic of Croatia for the period |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|---|---|
| | | | | <p>2014-2016, whole document)</p> <ul style="list-style-type: none"> • deployment of effective, innovative and interoperable technologies (e-health, NHCS, English version, pp. 67-7) |
| <p>T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.</p> | <p>4 - a monitoring and review system.</p> | <p>No</p> | <p>Croatian National health care strategy 2012-2020 (OG No. 116/12)</p> <p>Strategic plan for public health development for the period 2013-2015</p> <p>Strategic plan for palliative care development in Republic of Croatia for the period 2014-2016</p> <p>National plan of development of clinical hospital centers, clinical hospitals, clinics, and general hospitals in Republic of Croatia for the period 2014-2016</p> | <p>Monitoring and review of the strategy implementation is indicated in the National health care strategy 2012-2020 (3rd paragraph of the chapter on Strategic development directions, priorities and measures, p. 66 in English version) and specified in shorter-term strategic plans covering different segments of health care: Strategic plan for public health development for the period 2013-2015 (p. 42), Strategic plan for palliative care development in Republic of Croatia for the period 2014-2016 (p. 31), National plan of development of clinical hospital centers, clinical hospitals, clinics, and general hospitals in Republic of Croatia for the period 2014-2016 (draft, pp. 30-33).</p> <p>National plan of development of clinical hospital centers, clinical hospitals, clinics, and general hospitals for the period 2014-2016 is was</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|---|--|
| | | | | adopted by the Government of Croatia in June 2014 . |
| T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability. | 5 - A Member State or region has adopted a framework outlining available budgetary resources on an indicative basis and a cost-effective concentration of resources on prioritised needs for health care. | Yes | <p>State budget of the Republic of Croatia for 2014, with projections for 2015 and 2016 (OG No. 152/13 and 39/14) http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_152_3213.html, http://narodne-novine.nn.hr/clanci/sluzbeni/dodatni/429690.pdf)</p> <p>Ministry of health strategic plan for the period 2014-2016</p> | Short- and mid-term budgetary resources framework, outlining available resources for health care, is provided in the State Budget (OG 152/13, pp. 188-198, OG 38/14, pp. 134-140) and the Ministry of health strategic plan for the period 2014-2016, which is updated annually. Ministry of health strategic plan for the period 2014-2016 defines general and specific goals in health sector and provides a link between those goals and the budgetary resources (Table 8, pp. 28-26), demonstrating the concentration of the resources for achievement of defined goals. |
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | 1 - A national or regional strategic policy framework for tertiary education is in place with the following elements: | Yes | <p>The Strategy for Education, Science, and Technology was adopted by the Croatian Government at the beginning of July 2014:</p> <p>Strategy for Education, Science and Technology adopted by the</p> | Strategy for Education, Science and Technology encompasses relevant interventions and measures in the following areas: Lifelong learning, Early Childhood Education and Care, Pre-tertiary Education, Higher Education as well as Adult Education. The draft Strategy already includes Action plan for implementation of each identified measure (the Action plan |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|---|
| | | | Croatian Government | identifies responsible institution/s for implementation of each measure as well as timeframe and indicators of achievement). |
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | 2 - where necessary, measures to increase participation and attainment that: | Yes | <p>The Strategy for Education, Science, and Technology was adopted by the Croatian Government at the beginning of July 2014:</p> <p>https://vlada.gov.hr/UserDocsImages/Sjednice/2014/172%20sjednica%20Vlade//172%20-%201.pdf</p> <p>Social inclusion of Higher Education in Croatia by Thomas Farnell, Teo Matković, Karin Doolan, Mirna Cvitan, 2014 (Institute for Education Development). Report available at: http://www.iro.hr/hr/publikacije/socijalna-ukljucivost-visokog-obrazovanja-2014/</p> | <p>The new Strategy aims to introduce financing for underrepresented groups and support for disabled students (measures 6.1.2., 6.2.1. – 6.2.3., 6.4.1. - 6.4.7. of the draft Strategy).</p> <p>Preliminary analysis show that the main reasons for dropping out are the lack of adequate competences when entering higher education, decline in student motivation or insufficient resources to study.</p> <p>In relation to addressing the problems of potential drop outs, it is one of the aims of the draft Strategy to establish centers for support to students as well as career counselling services at universities (measure 2.7.1. Higher Education)</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|---|--|
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | 3 - increase higher education participation among low income groups and other under-represented groups with special regard to disadvantaged people, including people from marginalised communities; | Yes | <p>Strategy for Education, Science and Technology</p> <p>Socijalna i ekonomska slika studentskog života u Hrvatskoj: nacionalno izvješće istraživanja EUROSTUDENT za Hrvatsku, Institut za razvoj obrazovanja</p> <p>Zagreb 2011. Research available at: http://public.mzos.hr/Default.aspx?sec=2254</p> | <p>The new Strategy aims to introduce financing for underrepresented groups and support for disabled students (measures 6.1.2., 6.2.1. – 6.2.3., 6.4.1. - 6.4.7. of the Strategy).</p> <p>A national research was implemented related to socio-economic situation of student life in Croatia (EUROSTUDENT). Information related to social profile of students available at p. 30</p> <p>The new Strategy aims to introduce financing for underrepresented groups and support for disabled students (measures 6.1.2., 6.2.1. – 6.2.3., 6.4.1. - 6.4.7. of the Strategy).</p> <p>National Foundation for Support to Student Standard provides annual scholarships to different student categories (including students with disabilities, Roma minority students, social welfare students, etc....)</p> |
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | 4 - reduce drop-out rates/improve completion rates; | Yes | Social inclusion of Higher Education in Croatia by Thomas Farnell, Teo Matković, Karin Doolan, Mirna Cvitan, 2014 (Institute for Education | Preliminary analysis shows that the main reasons for dropping out are the lack of adequate competences when entering higher education, decline in student motivation or insufficient resources to study. |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|---|--|
| | | | Development) Report available at: http://www.iro.hr/hr/publikacije/socijalna-ukljucivost-visokog-obrazovanja-2014/ Strategy for Education, Science and Technology | Targeted actions to categories of students who are most vulnerable and who are in risk to drop out higher education through the following measures: development and implementation of remedial courses, establishment of centres for support to students in higher education, development and implementation of career guidance services at the level of secondary and higher education, investment in student accommodation facilities with priority on ensuring access to dormitories for students who are socially and economically disadvantaged and targeted scholarship policy through the work of the National Trust for support to student standard. |
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | 5 - encourage innovative content and programme design; | Yes | Strategy for Education, Science and Technology Croatian Qualifications Framework Act (OG, 22/2013) 2013 Economic Programme of Croatia: http://www.mfin.hr/adminmax/docs/2013%20Economic%20Prog | The CROQF Act establishes the necessary legislative and institutional framework for further development and implementation of the CROQF, as well as for the referencing and self-certification of the CROQF to the EQF and the QF-EHEA. Based on provisions of the Act, quality assurance and development in science and higher education via procedures of initial accreditation, re-accreditation, thematic evaluation and audit status, activity and organisation of the Agency |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|--|---|
| | | | <p>ramme%20of%20Croatia.pdf</p> <p>National Reform Programme 2014.</p> <p>Act on Quality Assurance in Science and Higher Education (OG 45/09).</p> | <p>for Science and Higher Education (ASHE) as a public institution of the Republic of Croatia tasked with quality assurance and development in science and higher education, and role of other institutions in the Republic of Croatia tasked with quality assurance and development in science and higher education.</p> |
| <p>T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.</p> | <p>6 - measures to increase employability and entrepreneurship that:</p> | <p>Yes</p> | <p>The Strategy for Education, Science, and Technology was adopted by the Croatian Government at the beginning of July 2014:</p> <p>https://vlada.gov.hr/UserDocsImages/Sjednice/2014/172%20sjednica%20Vlade//172%20-%201.pdf</p> <p>Data related to accreditation of study programmes available at: https://www.azvo.hr/index.php/en/vrednovanja/postupci-</p> | <p>The Agency for Science and Higher Education carries out part of the procedure of initial accreditation of higher education institutions, pursuant to the Act on Quality Assurance in Science and Higher Education (OG 45/09) and the Ordinance on the Content of a Licence and Conditions for Issuing a Licence for Performing Higher Education Activity, Carrying out a Study Programme and Re-Accreditation of Higher Education Institutions (OG 24/2010). The initial accreditation is carried out in accordance with the Procedure for the Initial Accreditation for Performing Higher Education Activity. Some of the criteria in evaluation of study programmes include: justification for launching the</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|--|
| | | | vrednovanja-u-visokomobrazovanju/inicijalna-akreditacijastudijskih-programa | study programme with regards to labour market needs in public and private sectors; relation to the needs of the local community; whether study programme ensures the acquisition of professional competencies, including knowledge, skills and methods of reasoning, etc. |
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | 7 - encourage the development of "transversal skills", including entrepreneurship in relevant higher education programmes; | Yes | <p>The Strategy for Education, Science, and Technology was adopted by the Croatian Government at the beginning of July 2014:</p> <p>https://vlada.gov.hr/UserDocsImages/Sjednice/2014/172%20sjednica%20Vlade//172%20-%201.pdf</p> <p>Data related to accreditation of study programmes available at: https://www.azvo.hr/index.php/en/vrednovanja/postupci-vrednovanja-u-visokom-obrazovanju/inicijalna-akreditacija-studijskih-programa</p> | This particular issue will be addressed through the implementation of the measures in Strategy such as: : improvement of study programmes by consistent implementation of Bologna process, harmonizing the number and profile of study programmes in line with labour market needs (ensuring integration and bigger scope of transversal competences in study programmes), improvement of student standard placing focus on social dimension of studying; internationalization of higher education, More detailed measures are listed in the Strategy – Section: Higher Education-p 102 – 103 (measures no: 1.1.1, 1.2.1. and 1.2.2.). |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|---|--|
| | | | | |
| T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU. | 8 - reduce gender differences in terms of academic and vocational choices. | Yes | Socijalna i ekonomska slika studentskog života u Hrvatskoj: nacionalno izvješće istraživanja EUROSTUDENT za Hrvatsku, Institut za razvoj obrazovanja, Zagreb 2011. Research available at: http://public.mzos.hr/Default.aspx?sec=2254 | Free education at higher education public institutions has been ensured for successful and regular students in the 2012/2013, 2013/2014 and 2014/2015 academic years. The subsidising of the costs of studies for regular students facilitates access to university level. In addition to that National Foundation for Support to Student Standard provides annual scholarships to different student categories (including students with disabilities, Roma minority students, social welfare students, etc.... Special priority in the development of higher education is given to the increase in the number of persons with completed studies in technical, biomedical, biotechnical and science (STEM) fields, information and communications area and in interdisciplinary studies related to these fields. Gender imbalances are currently not seen as specific issue to be addressed. |
| T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article | 1 - A national or regional strategic policy framework for lifelong learning is in place that contains measures: | Yes | The Strategy for Education, Science, and Technology | Draft Strategy for Education, Science and Technology encompasses relevant interventions and measures in the following areas: Lifelong learning, |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|---|-----------------------------|---|---|
| 165 TFEU. | | | https://vlada.gov.hr/UserDocsImages/Sjednice/2014/172%20sjednica%20Vlade//172%20-%201.pdf | <p>Early Childhood Education and Care, Pre-tertiary Education, Higher Education as well as Adult Education. The draft Strategy already includes Action plan for implementation of each identified measure (the Action plan identifies responsible institution/s for implementation of each measure as well as timeframe and indicators of achievement.</p> <p>The Strategy introduces lifelong learning as integrated principle on which the whole education should be based upon. This concept encompasses learning at all life stages and in all forms, including formal education programs, but also unintentional, unorganized and spontaneous acquisition of knowledge and skills (pages 14-24).</p> |
| T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU. | 2 - to support the developing and linking services for LL, including their implementation and skills upgrading (i.e. validation, guidance, education and training) and providing for the involvement of, and partnership with relevant stakeholders ; | No | <p>Strategy for Education, Science and Technology</p> <p>The CROQF Act (OG 22/2013)</p> <p>National pedagogical standard for Pre-school education (OG</p> | Some of the aims as outlined in the Strategy (section LLL, p.14,; 22) include development of system for validation of formal and non-formal learning. One of the aims as stated in the Strategy (section-Lifelong learning) is to integrate LLL policies with objectives of social, economic, regional and cultural development as well as with employment and social |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|---|
| | | | <p>63/08)</p> <p>National pedagogical standard for Primary education (OG 63/08)</p> <p>National pedagogical standard for Secondary education (OG 63/08)</p> <p>The Croatian Qualifications Framework Act (OG 22/2013</p> | <p>welfare policies. In that respect, one of the measures in the draft Strategy envisages development of database as well as the system for registering and analyzing human resources (in cooperation with other relevant ministries and state agencies). It is also envisaged to develop models and instruments for anticipation of future requirements for skills and qualifications in line with developmental goals, demographic and migrational changes (in cooperation with other relevant ministries and state agencies).</p> |
| <p>T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.</p> | <p>3 - for the provision of skills development for various target groups where these are identified as priorities in national or regional strategic policy frameworks (for example young people in vocational training, adults, parents returning to the labour market, low skilled and older workers, migrants and other disadvantaged groups, in particular people with disabilities);</p> | <p>Yes</p> | <p>Strategy for Education, Science and Technology</p> <p>Vocational Education and Training Act (OG 30/09)</p> | <p>The Strategy already includes Action plan for implementation of each identified measure (the Action plan identifies responsible institution/s for implementation of each measure as well as timeframe and indicators of achievement). According to that, in different sections of the Strategy are listed measures for respective target groups: pupils/students at all education levels including pupils/students at a disadvantage, adults and teachers. Under section Adult Learning, p.138, the following measures are listed:</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|--|--|-----------------------------|---|---|
| | | | | development of new occupational and qualification standards in line with labour market needs, implementation of new verified programmes in the fields which are of strategic importance for Croatia, development and implementation of priority programmes of formal and non-formal learning for citizens without primary education or with lower levels of education, for socially disadvantaged and marginalized citizens, for persons with disabilities, elderly citizens and migrants. |
| T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU. | 4 - to widen access to LL including through efforts to effectively implement transparency tools (for example the European Qualifications Framework, National Qualifications Framework, European Credit system for Vocational Education and Training, European Quality Assurance in Vocational Education and Training); | Yes | The Croatian Qualifications Framework Act (OG, 22/2013) Ordinance on the CROQF Register entered into force on 22 May 2014 (OG 62/14): http://narodne-novine.nn.hr/default.aspx | Some of the aims as outlined in the Strategy (section LLL, p.14) include development of system for lifelong personal and professional guidance taking into account specificities of each educational level as well as development of the system for validation of formal and non-formal learning, Ordinance for recognition and validation of non-formal and informal learning is in process of drafting. The Ordinance will for the first time set up a nation-wide system of recognition of NFIL. The Ordinance on recognition and evaluation of non-formal and informal learning is planned to be adopted in 2014, while the IT system for the maintenance of |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | <p>the CROQF Register, in which the first qualifications standards and vocational standards will be entered, will be put in place in 2015.</p> <p>The Ordinance will be closely connected to the Ordinance on the CROQF Register as only qualifications that will be included in the NQF will have the possibility to be acquired through non-formal and informal way.</p> |
| <p>T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.</p> | <p>5 - to improve the labour market relevance of education and training and to adapt it to the needs of identified target groups (for example young people in vocational training, adults, parents returning to the labour market, low-skilled and older workers, migrants and other disadvantaged groups, in particular people with disabilities).</p> | <p>Yes</p> | <p>The Croatian Qualifications Framework Act (OG, 22/2013)</p> <p>Ordinance on the CROQF Register entered into force on 22 May 2014 (OG 62/14):</p> <p>http://narodne-novine.nn.hr/default.aspx</p> | <p>CROQF will result in a higher degree of employability and it will enable the linking and comparing with other education systems in Europe. The Ordinance on recognition and evaluation of non-formal and informal learning is planned to be adopted in 2014, while the IT system for the maintenance of the CROQF Register, in which the first qualifications standards and vocational standards will be entered, will be put in place in 2015. In the CROQF Act, Article 9 (OG 22/2013), are named different bodies and stakeholders that are involved in the development and implementation of the CROQF: The National Council for Development of Human Potential, the ministry responsible for education and science, the ministry responsible</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | for labour, the ministry responsible for regional development and Sector councils. In the Article 10 and 12 are described compositions of the National Council and Sector councils. |
| T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU. | 1 - A national or regional strategic policy framework is in place for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU which includes measures for the following: | Yes | <p>The Strategy for Education, Science, and Technology was adopted by the Croatian Government at the beginning of July 2014:</p> <p><i>Strategy for Education, Science and Technology adopted by the Croatian Government</i></p> <p>https://vlada.gov.hr/UserDocsImages/Sjednice/2014/172%20sjednica%20Vlade//172%20-%201.pdf</p> | Draft Strategy for Education, Science and Technology encompasses relevant interventions and measures in the following areas: Lifelong learning, Early Childhood Education and Care, Pre-tertiary Education, Higher Education as well as Adult Education. The draft Strategy already includes Action plan for implementation of each identified measure (the Action plan identifies responsible institution/s for implementation of each measure as well as timeframe and indicators of achievement. |
| T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU. | 2 - to improve the labour market relevance of VET systems in close cooperation with relevant stakeholders including through mechanisms for skills anticipation, adaptation of curricula and the strengthening of work-based learning provision in its different forms; | No | <p>Vocational Education and Training Act (OG 30/09)</p> <p>The Strategy for Education, Science, and Technology: https://vlada.gov.hr</p> | Based on provisions of Art. 14 of VET Act National VET Council has 17 members –representatives of various national stakeholder organizations – employers’ association, chamber of commerce, chamber of crafts, union, ministry of economy, ministry of social policy and youth, employment service, |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | /UserDocsImages//Sjednice/2014/172%20sjednica%20Vlade//172%20-%201.pdf | VET schools, higher education institutions, etc. The Council for Vocational Education and Training proposes education sectors, coordinates the work of all stakeholders in VET, launches initiative for adoption of curricula amendments, proposes measures, activities and strategies of development in VET as well as other duties in accordance with Decision on nomination |
| T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU. | 3 - to increase the quality and attractiveness of VET including through establishing a national approach for quality assurance for VET (for example in line with the, European Quality Assurance Reference Framework for Vocational Education and Training) and implementing the transparency and recognition tools, for example European Credit system for Vocational Education and Training. (ECVET). | Yes | <p>E-kvaliteta tool (VET). Available at: http://e-kvaliteta.asoo.hr/pages/public/login.xhtml</p> <p>CroQF ACT</p> <p>Information related to new VET curricula available at:</p> <p>http://www.asoo.hr/default.aspx?id=1374</p> <p>VET ACT (30/2009)</p> | Significant progress related to development of Quality Assurance in VET has already been made, especially by development of “E-kvaliteta” tool for self-evaluation. The tool provides assistance to VET schools in their process of self-evaluation and their self-assessment results are uploaded into this database. E-kvaliteta strictly follows the approach used in development of Croatian Quality Assurance Framework. It contains priority areas which are described in the Framework and it allows simple procedure for entering scores using five degree assessment scale. The tool made Croatia join other European countries in implementation of principles presented in European Quality Assurance Reference Framework (EQARF). |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | <p>E-kvaliteta tool (VET). Available at: http://e-kvaliteta.asoo.hr/pages/public/login.xhtml</p> <p>CROQF sets clear criteria for the competences that a person can expect to have upon completing a certain level of education.</p> |
| <p>G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.</p> | <p>1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.</p> | <p>Yes</p> | <p>Anti-Discrimination Act (OG No. 85/08, 112/12)</p> <p>Gender Equality Act (OG No. 82/08)</p> <p>National Programme for Protection and Promotion of Human Rights for the period 2013-2016</p> <p>Anti-discrimination Plan 2008 – 2013</p> <p>Anti-discrimination Plan 2014 – 2018 (to be developed)</p> | <p>The Anti-Discrimination Act has introduced the Ombudsman as the national equality body. Accordingly, Article 12 of the Act defines the activities of central body responsible for the suppression of discrimination which among others include the following: provide necessary information to natural and legal persons that have filed a complaint on account of discrimination with regards to their rights and obligations and to possibilities of court and other protection as well as conduct surveys concerning discrimination, give opinions and recommendations, and suggest appropriate legal and strategic solutions to the Government of the Republic of Croatia.</p> <p>Accordingly, the Ombudsman institution is willing to provide support and advice on equality issues in ESI fund-related activities upon the request</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | <p>of relevant authorities.</p> <p>As regards additional sub-criteria, these two activities are to be defined as measures in a new Anti-discrimination Plan which is to be drafted by the middle of 2015. The qu</p> |
| <p>G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.</p> | <p>2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti-discrimination law and policy.</p> | <p>No</p> | | <p>National Programme for Protection and Promotion of Human Rights for the period 2013 – 2016 has defined suppression of discrimination as a priority area and has identified a measure number 8.1 which refers to education and trainings on national and EU anti-discrimination and policy (http://www.uljppnm.vlada.hr/images/nap_2013-2016.pdf) . As a result, the Office for Human Rights and Rights of National Minorities in cooperation with Ombudswoman has developed a programme which is to be implemented in cooperation with the National School for Public Administration. First trainings are scheduled for 21st May 2014 and 16th October 2014. The target audience includes staff involved in the implementation of ESI Funds. Furthermore, the new Anti-discrimination Plan will further elaborate these measures.</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds. | 1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund-related activities. | Yes | <p>Gender Equality Act (OG No. 82/08):</p> <ul style="list-style-type: none"> - Gender equality body (Article 19 – 26) + - Governmental Office for gender equality (Article 18) <p>National Policy for Gender Equality 2011-2015. (OG No. 88/11)</p> | <p>The Gender Equality Act has introduced the Ombudsman for gender equality as the national equality body and regulates the work of the Governmental Office for gender equality .</p> <p>Chapter IX of the Act, and chapter 7 of the National policy for Gender Equality define legal and institutional framework for involvement of gender equality bodies and sets up national gender equality mechanisms.</p> <p>New national strategy to be developed for the period 2016-2020</p> <p>Representative of the Governmental Office for gender equality is a member of the Monitoring Committee</p> |
| G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds. | 2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming. | No | | <p>Gender Equality Act– Article 3 (1) stipulates obligation of the public administration to mainstream gender in all activities, decisions and projects, and perform gender impact assessment.</p> <p>-Article 3 (2) is related to obligation of all administration bodies to provide education and training in gender equality for their staff.</p> <p>-National Policy for Gender Equality 2011-2015. (OG NO. 88/11), measure 7.1.1. obliges all public servants to</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | <p>attend training seminars for gender equality. New National Policy for Gender Equality (2016-2020) will probably include similar measure.</p> <p>-Trainings in basic concepts, including the legal framework for gender equality, are provided by the Office for gender equality at the National School for Public Administration three times a year, making a total of 50-60 trained public servants per year.</p> <p>Tailored -made training for staff involved in the implementation of the ESI Funds has not been developed yet.</p> |
| <p>G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.</p> | <p>1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.</p> | <p>No</p> | | <p>The outlined ex-ante conditionality is applicable to Investment Priority 9.1. Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services. In 2007 Croatian Government has adopted National Strategy with the aim to further improve the protection of rights of persons with disabilities and children with development</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | disabilities, strengthening their equal participation in all aspects of the society. For the period 2016-2020, new National strategy of equalization of opportunities for persons with disabilities and corresponding operational plan will be adopted. |
| G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC. | 2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate. | No | | The Operational plan will include the activities of continuous, specific and thematic trainings and other forms of information dissemination regarding the UNCRPD targeting state and public bodies, involved in the implementation of Operational plan as well as management and control of ESI Funds. |
| G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC. | 3 - Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes. | No | | The Ministry of Social Policy and Youth (MSPY) is in charge for monitoring of the implementation of the National strategy and the Operational plan (when adopted), which also include obligations in relation to Article 9 of the UNCRPD. The Operational plan will include the activities which will be co-financed through ESI funds as planned by each responsible and implementing body, that will annually report to the MSPY |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | regarding the fulfillment of their obligations, including obligations in relation to Article 9 of the UNCRPD. The MSPY will refer to relevant EU and national legislation when accessing the fulfillment of their obligations. |
| G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds. | 1 - Arrangements for the effective application of Union public procurement rules through appropriate mechanisms. | Yes | <ul style="list-style-type: none"> • Public Procurement Act (OG 90/11, 83/13,143/13, 13/14) – see Article 2. • Act on the State Commission for Supervision over Public Procurement Procedure (OG 18/13, 127/13) Art 2. • Act on Public Private Partnership (OG 78/12) • Regulation on public procurement for defence and security purposes (OG 89/12) • Regulation on the methodology for drawing up and handling tender documents and tenders | <p>Institutional framework for the efficient implementation of public procurement is set up.</p> <p>Procurement System controls implementation of PP Act (ex post control, this doesn't stop the PP procedure). Any legal or natural person (even anonymously) or state body can lodge the procedure. If irregularities are found Ministry of Economy can start a misdemeanour procedure before competent misdemeanour court. Also, CA/CE have an obligation to publish their public procurement plans (subjectmatter of procurement the estimated value of which is equal to or higher than HRK 20.000) and contract registers on their websites and send links to Ministry of Economy which publishes them on Public Procurement Portal – www.javnabava.hr</p> <p>CA/CE in open procedure (89% of all</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | (OG 10/12) • Regulation on public procurement notices (OG 10/12) | conducted procedures in 2012) must publish tender documents electronically in EPPC. In all public procurement procedures conducted by the State Office for Central Public Procurement (central purchasing office) from 1.1.2014. submission of |
| G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds. | 2 - Arrangements which ensure transparent contract award procedures. | Yes | EU Directives on public procurement are transposed into HR legislation via: • Public Procurement Act (OG 90/11, 83/13, 143/13, 13/14) – see Article 2. • Act on the State Commission for Supervision over Public Procurement Procedure (OG 18/13, 127/13) – See Article 2. • Act on Public Private | Public Procurement Act (PP Act) proscribes that all public procurement notices for procurement the estimated value of which is above national threshold is published in the Electronic Public Procurement Classifieds of the Republic of Croatia (EPPC) - https://eojn.nn.hr/Oglasnik/ Croatian national threshold is set to HRK 200.000 for goods and services and HRK 500.000 for works. Below that PP Act doesn't apply but every CA/CE must have their internal rules on procurement issues. Basically, only difference in public procurement procedures between (above) national thresholds and (below) EU thresholds are in shorter time limits for the receipt of tenders and lodging an appeal. |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | Partnership (OG 78/12) <ul style="list-style-type: none"> • Regulation on public procurement for defence and security purposes (OG 89/12) • Regulation on the methodology for drawing up and handling tender documents and tenders (OG 10/12) | |
| G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds. | 3 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds. | Yes | EU Directives on public procurement are transposed into HR legislation via: <ul style="list-style-type: none"> • Public Procurement Act (OG 90/11, 83/13, 143/13, 13/14) – see Article 2. • Act on the State Commission for Supervision over Public Procurement Procedure (OG 18/13, 127/13) Art 2 | Directorate for the Public Procurement System within the Ministry of Economy provides legal and technical assistance related to the implementation of regulations on public procurement in general and by the training and supervision of the implementation of the Act. Pursuant to the Regulations on training in the field of public procurement (06/ 2012) training programmes in this field can be carried out by companies authorized by the Ministry of Economy and by the Ministry of Public Administration as a central government body responsible for civil service affairs. The list of the authorized companies is maintained by the Ministry of Economy and is published on this portal |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | <ul style="list-style-type: none"> • Act on Public Private Partnership (OG 78/12) • Regulation on public procurement for defence and security purposes (OG 89/12) • Regulation on the methodology for drawing up and handling tender documents and tenders (OG 10/12) | <p>http://www.javnabava.hr. The register is regularly updated in line with new authorizations issued.</p> |
| <p>G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.</p> | <p>4 - Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.</p> | <p>Yes</p> | <p>EU Directives on public procurement are transposed into HR legislation via:</p> <ul style="list-style-type: none"> • Public Procurement Act (OG No. 90/11, 83/13, 143/13, 13/14) – see Article 2. • Act on the State Commission for Supervision over Public Procurement Procedure (OG No. | <p>Directorate for the Public Procurement System within the Ministry of Economy provides legal and technical assistance related to the implementation of regulations on public procurement in general and by the training and supervision of the implementation of the Act. Ministry of Economy provides expert assistance in the implementation of the Public Procurement Act through written opinions regarding legislation, responding to emails, regular consultations (every Tuesday and Thursday) and through "open days" on</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | <p>18/13, 127/13) – See Article 2.</p> <ul style="list-style-type: none"> • Act on Public Private Partnership (OG 78/12) • Regulation on public procurement for defence and security purposes (OG 89/12) • Regulation on the methodology for drawing up and handling tender documents and tenders (OG No. 10/12) | <p>public procurement organized every last Friday of the month.</p> <p>(3) With respect the ESF funds, as one of measures to contribute to the overall efficiency of the Management and Control System is intended to continue the use of standardized procedures (business processes), tools and methods, where appropriate, supported by joint MIS. The corpus of standardized business processes for ERDF, ESF and CF programmes is codified in Common National Rules (CNR), which have been established for 2</p> |
| <p>G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.</p> | <p>1 - Arrangements for the effective application of Union State aid rules.</p> | <p>Yes</p> | <p>State Aid Law (OG No. 47/14)</p> <p>Role of the Ministry of Finance: Article 3.</p> <p>Notification of state aid to the Commission and opinion of the Ministry of Finance: Article 8.</p> <p>Opinion of the Ministry of</p> | <p>2013 State Aid Law (OG No. 72/13 and 141/13) ensured full implementation of EU state aid law from July 1st 2013. According to the New State Aid Law from April 2014 (OG No. 47/14), the Ministry of Finance is the sole national institution competent for state aid issues. State Aid Division (within Croatian Competition Agency-CCA) has been dealing with state aid cases since 2004. Until July 1, 2013, CCA was relevant</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | <p>Finance on state aid exempted from notification to the EC: Article 9.</p> <p>De minimis provision: Article 10. State Aid and de minimis Registry: Article 15.</p> <p>Sending Annual Report on State Aid expenditure to the EC: Article 16.</p> | <p>authority in charge of approving, controlling and ordering recovery of any state aid implemented in Croatia. On July 1, CCA has become a intermediary body, i.e. a contact point with DG Comp for domestic state aid grantors, but also consulting authority, issuing binding opinions on all state aid in Croatia, both GBER and the rest.</p> <p>On July 1, new State Aid Act has entered into force, mainly changing the role of the CCA, but also providing guidance for state aid grantors how to implement a state aid scheme, notify it to the EC/CCA (if GBER), and ask for an opinion of CCA prior to</p> |
| G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds. | 2 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds. | Yes | State Aid Law (OG No. 47/14) | <p>IPA 2011 assistance project titled “Support to the state aid system in relation to structural funds” is being prepared in cooperation with MRDEUF and CFCA. The project is envisaged to provide assistance to the CCA’s state aid team in dealing with relevant ministries’ proposals. Specific activities will elaborated once the CCA team is transferred to the Ministry of Finance.</p> <p>It is planned to create a module of State Aid Education for Public Administration within a State School for Public Administration. This</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | <p>education will cover all the aspects: procedural rules, Articles 107.-109. of TFEU, relevant horizontal and sectoral rules, specific instruments, notification, illegal aid and recovery, etc.</p> <p>The CCA staff has been included in working groups and teams designing the Operational Programmes from the start, with a task to disseminate and exchange all relevant information regarding state aid rules. Likewise, there is a constant exchange of information and a communication with the relevant</p> |
| <p>G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.</p> | <p>3 - Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.</p> | <p>Yes</p> | <p>State Aid Law (OG No. 47/14)</p> <p>State Aid Act (OG No. 47/03)</p> | <p>With the adoption of the new State Aid Law, the whole of the CCA's state aid team, which is fully operational in state aid domain, has been transferred to the Ministry of Finance, so there will be no loss of administrative capacity in the field of state aid.</p> <p>From April 2, 2003, day of entering into force of first State Aid Act, there has been a central body with sufficient administrative capacity to give substantive practical and legal advice on applicability of state aid in the programmes and on the compliance of EU State aid rules. Likewise, a state aid procedures in line with relevant EU legislation has been enforced in</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | | Croatia. From 2003 onwards, the CCA staff has been included in various educational projects on state aid, both as users and trainers. State Aid Division was a beneficiary of 3 twinning projects (18 months each) in the field of state aid (Germany and Slovenia 2x, 2005-2008; UK 2010-2012), which included study visits, exchange of experience with experts, training on jo |
| G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA. | 1 - Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA). | Yes | <p>Environmental Protection Act (OG No. 110/07)</p> <p>Environmental Impact Assessment Ordinance (OG No. 64/08, 67/09)</p> <p>Regulation on Information and Participation of the Public and Public concerned in Environmental Matters (OG No. 64/08)</p> <p>Regulation on strategic environmental assessment of plans and programmes (OG No. 64/08)</p> | The Environmental Protection Act prescribe mandatory participation of scientific and expert employees, other competent bodies and representatives of local and regional self-government units in EIA and SEA procedures. Their participation is realised through the work of the advisory expert committee appointed for each individual project/PP. In the event that a larger number of projects of the same type are planned, a standing expert committee is appointed (e.g., for roads). |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | Ordinance on the Committee for Strategic Assessment (OG No. 70/08) | |
| G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA. | 2 - Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives. | Yes | IPA 2010 technical assistance project “Strengthening capacities for SEA at regional and local level” http://www.seahrvatska.net/ | During the implementation of the IPA 2010 technical assistance project “Strengthening capacities for SEA at regional and local level” the following opportunities and ideas for enhancing sustainability of the project outcomes aroused: inclusion of Training of Trainers and further onjob SEA trainings that support the first real-life SEA applications in Croatia. Within the project MENP will create pool of 10 trainers who would come from MENP and State Institute for Nature Protection and will be trainers in future SEA workshops for national and county authorities. |
| G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA. | 3 - Arrangements to ensure sufficient administrative capacity. | Yes | Within MENP there is a specialized Sector of Environmental Assessment and Industrial Pollution consisting of two specialized departments for environmental assessment, namely Service for Environmental Assessment and | Within the CARDS 2003 project “Environmental Impact Assessment – Guidelines and Training, a training programme for competent bodies at the national level, competent bodies at the regional level and persons authorised to produce environmental impact studies was designed and carried out. Considering |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| | | | <p>the Department for Strategic Environmental Assessment that have adequate administrative capacity to give practical and legal advice on applicability of the EIA/SEA Directives which are being continuously strengthened.</p> | <p>that during the implementation of the project the programme “Train the Trainers” was also carried out, employees of the Ministry and administrative bodies in the county have been trained for further education of all participants in the environmental impact assessment procedure and are able to provide practical and legal advice on applicability of EIA/SEA Directives.</p> |
| <p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p> | <p>1 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation.</p> | <p>Yes</p> | <p>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</p> <p>National rules developed for the programming period 2007– 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial indicators, Programme evaluation and closure)</p> | <p>The Programme of Statistical Surveys of the Republic of Croatia 2013 – 2017 contains statistics required by the acquis communautaire and other statistics on the national level. All these statistics meet the criteria, ie. arrangements for timely collection and aggregation of statistical data with the following elements in place:</p> <ul style="list-style-type: none"> - the identification of sources and mechanisms to ensure statistical validation; - arrangements for publication and public availability of aggregated data. |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
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| <p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p> | <p>2 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data.</p> | <p>Yes</p> | <p>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</p> <p>National rules developed for the programming period 2007– 2013 (Strategic Planning, Forecasting and Monitoring of</p> <p>OP's physical and financial indicators, Programme evaluation and closure)</p> | <p>The Programme of Statistical Surveys of the Republic of Croatia 2013 – 2017 contains statistics required by the acquis communautaire and other statistics on the national level. All these statistics meet the criteria, ie. arrangements for timely collection and aggregation of statistical data with the following elements in place:</p> <ul style="list-style-type: none"> - the identification of sources and mechanisms to ensure statistical validation; - arrangements for publication and public availability of aggregated data. |
| <p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p> | <p>3 - An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme.</p> | <p>Yes</p> | <p>National rules developed for the programming period 2007– 2013 (Strategic Planning, Forecasting and Monitoring of</p> <p>OP's physical and financial indicators, Programme evaluation and closure)</p> | <p>Based on the national rules developed for the programming period 2007 – 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial indicators, Programme evaluation and closure) Coordinating body will further improve national rules and guidelines</p> <p>specifying milestones and targets for indicators to be achieved in the programming period 2014 – 2020. The methodology for reviewing national rules and guidelines with aim to setting up the performance framework is based</p> |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|---|-----------------------------|--|---|
| | | | | on the regulations lying down common provisions for ESI Funds, fund specific regulations and the draft of the Commission implementing regulation. |
| G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation. | 4 - An effective system of result indicators including: the establishment of targets for these indicators. | Yes | National rules developed for the programming period 2007– 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial indicators, Programme evaluation and closure) | Based on the national rules developed for the programming period 2007 – 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial indicators, Programme evaluation and closure) Coordinating body will further improve national rules and guidelines specifying milestones and targets for indicators to be achieved in the programming period 2014 – 2020. The methodology for reviewing national rules and guidelines with aim to setting up the performance framework is based on the regulations lying down common provisions for ESI Funds, fund specific regulations and the draft of the Commission implementing regulation. |
| G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress | 5 - An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data. | Yes | National rules developed for the programming period 2007– 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial | Based on the national rules developed for the programming period 2007 – 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial indicators, Programme evaluation and closure) Coordinating body will further improve national rules and guidelines specifying |

| Ex-ante conditionality | Criteria | Criteria fulfilled (Yes/No) | Reference | Explanations |
|---|--|-----------------------------|--|---|
| towards results and to undertake impact evaluation. | | | indicators, Programme evaluation and closure) | milestones and targets for indicators to be achieved in the programming period 2014 – 2020. The methodology for reviewing national rules and guidelines with aim to setting up the performance framework is based on the regulations lying down common provisions for ESI Funds, fund specific regulations and the draft of the Commission implementing regulation. |
| G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation. | 6 - Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators. | Yes | National rules developed for the programming period 2007– 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial indicators, Programme evaluation and closure) | Based on the national rules developed for the programming period 2007 – 2013 (Strategic Planning, Forecasting and Monitoring of OP's physical and financial indicators, Programme evaluation and closure) Coordinating body will further improve national rules and guidelines specifying milestones and targets for indicators to be achieved in the programming period 2014 – 2020. The methodology for reviewing national rules and guidelines with aim to setting up the performance framework is based on the regulations lying down common provisions for ESI Funds, fund specific regulations and the draft of the Commission implementing regulation. |

9.2 Description of actions to fulfil ex-ante conditionalities, responsible bodies and timetable

Table 25: Actions to fulfil applicable general ex-ante conditionalities

| General ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|--|-----------------|---|
| G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds. | 2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti discrimination law and policy. | Action 1 Under Technical assistance: A plan needs to be developed for training on gender equality law and policy for staff involved in the implementation of the ESI Funds (MA, IB, CA, AA) at all relevant levels. | 31-Dec-2015 | Ministry of Labour and Pension System |
| G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds. | 2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming. | Under Technical Assistance priority a Plan needs to be developed for training on gender equality law and policy for staff involved in the implementation of the ESI Funds (MA, IB, CA, AA) at all relevant levels. | 31-Dec-2015 | Ministry of Labour and Pension System |
| G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC. | 1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and | Finalization of the Operational plan of the implementation of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2014 – 2015. | 30-Sep-2014 | Ministry of Social Policy and Youth coordinates the preparation of the Operational plan, but other state bodies (including the MSPY) are responsible for the implementation of measures under their jurisdiction. |

| General ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|--|-----------------|---|
| | implementation of programmes. | | | |
| G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC. | 2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate. | Finalization of the Operational plan of the implementation of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2014 – 2015 | 30-Sep-2014 | Ministry of Social Policy and Youth coordinates the preparation of the Operational plan, but other state bodies (including the MSPY) are responsible for the implementation of measures under their jurisdiction. |
| G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC. | 3 - Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes. | Finalization of the Operational plan of the implementation of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2014 – 2015 | 30-Sep-2014 | Ministry of Social Policy and Youth coordinates the preparation of the Operational plan, but other state bodies (including the MSPY) are responsible for the implementation of measures under their jurisdiction. |

Table 26: Actions to fulfil applicable thematic ex-ante conditionalities

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|--|-----------------|---------------------|
| T.01.1 - Research and innovation: The existence of a national or | 1 - A national or regional smart specialisation strategy is in | Preliminary evaluator report was received on 16th May 2014 which was the basis for redrafting of S3. | 01-Jan-2015 | Ministry of Economy |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|---|--|-----------------|--|
| regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | place that: | <p>Components related to the monitoring and governance were not drafted at the time of submission of document to ex-ante evaluation, which means that those were not evaluated.</p> <p>First version of the S3 will be redrafted in accordance with the ex-ante evaluator findings in September 2014. Non-Formal submission of S3 Strategy to EC and ex-ante evaluator is envisaged in October 2014 and redrafting according to received comments is planned in December 2014. Formal adoption of the S3 Strategy by the Government (including public consultation process) is envisaged in December 2014/ 2nd quarter 2014. S3 strategy will be formally submitted to the EC in January 2014. We expect it to be adopted by the EC by Decision in 1st quarter 2014.</p> | | and S3 Working core team composed of representatives from Ministry of Economy, Ministry of Science, Education and Sport (MSES), Ministry of Entrepreneurship and Crafts (MoEC) and Ministry of Regional Development and EU Funds (MRDEUF), Ministry of Agriculture. |
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 2 - is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities; | Based on ex-ante evaluator findings SWOT analyses as well as basic analyses and selected thematic priorities will be redrafted in a way to be evidence based and to reflect clear linkages and description of selection of priorities and concentration of resources. Consultation process with expert groups is organized, in order to receive expert opinion on SWOT and priority areas selected for investment and stakeholder consultations organized to receive additional inputs. Based on inputs received from experts, SWOT and priority areas will be redrafted and submitted to IMWG (Inter ministerial working group) and SC (Steering Committee) on opinion for selected priorities (September 2014). Final version of SWOT and priority areas of investments are planned to be submitted to ex-ante evaluator in October 2014. Based on ex-ante evaluation findings SWOT and thematic areas are planned to be finalized by the end of 2014. | 31-Dec-2014 | S3 Working core team composed of representatives from Ministry of Economy, Ministry of Science, Education and Sport (MSES), Ministry of Entrepreneurship and Crafts (MoEC), Ministry of Regional Development and EU Funds (MRDEUF) and Ministry of Agriculture IMWG and SC. |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|---|--|------------------------|---|
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 3 - outlines measures to stimulate private RTD investment; | Based on ex-ante evaluator comments description of delivery mechanism, policy mixes and its explanation how these are tailored to the needs of stakeholders will be adjusted. Consultation process with expert groups will be organized in order to receive expert opinion on delivery mechanisms and policy mixes and its correlation with priority areas selected for investment. Stakeholder consultations will be organized to receive additional inputs and the document will be adjusted accordingly. Final opinion from the SC/IMWG is planned to be obtained in September 2014 received. Document will be sent to ex-ante evaluation in October 2014 and based on ex-ante evaluation finalized by the end of 2014. | 31-Dec-2014 | - Core drafting team - Ministry of Economy - SC/IMWG |
| T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems. | 4 - contains a monitoring mechanism. | It is planned that first draft of description of monitoring system for S3, including indicators chosen and governance structure is prepared in August 2014. Draft document will be discussed and agreed with MA and presented on IMWG and SC in September 2014. It will be submitted to ex-ante evaluator in October 2014 and on base of ex-ante evaluation comments, finalized by the end of 2014. | 31-Dec-2014 | MoE, MA, IMWG and SC |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross | 1 - A strategic policy framework for digital growth, for instance, within the national or regional smart specialisation strategy is in place that contains: | Decision of Government on a Working group with stakeholders from the administration and academia preparing the E-Croatia Strategy will be brought by 1st September 2014. The complete draft Strategy will be publicly presented and public consultation will be held in July 2014. Strategy will be updated in August 2014, according to feedback from consultation event held. Adoption of the Strategy by Government of the Republic of Croatia is planned in December 2015. | 31-Dec-2015 | Ministry of Public Administration and inter-institutional e-Croatia working group |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|---|--|------------------------|---|
| border initiatives. | | | | |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 2 - budgeting and prioritisation of actions through a SWOT or similar analysis consistent with the Scoreboard of the Digital Agenda for Europe; | WG will prepare vision of the e-Croatia strategy in line with the DAE 2020 by the end of September 2014. A SWOT and gap analysis will be performed for every defined area: a snapshot of the ICT situation in the public sector will be performed; a desired ICT public sector situation will be envisaged in cooperation with all stakeholders and taking into account sectorial strategies; actions needed to implement the desired status will be outlined; a budgetary analysis will be done; different sources of financing will be envisaged; based on the results, feasible scenarios will be prepared having in mind needed financing resources (EU, national and other sources as appropriate); all stakeholders will participate in the prioritisation/ elimination process. | 31-May-2015 | Ministry of Public Administration and inter-institutional e-Croatia working group |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 3 - an analysis of balancing support for demand and supply of ICT should have been conducted; | An analysis of ICT demand and supply will be performed with a special attention on age structure, education, income, level of ICT training/skills, employment status, affordability of service, productivity, etc. An analysis of the desired ICT situation in relation to the demand for ICT solutions will be performed. Projects to address ICT training/skills needs and the accessibility of the equipment and Internet in public places will be envisaged, where needed. This will be prepared based on conducted analysis of all mentioned above. Workshops to involve all interested stakeholders will be organized. | 30-Jun-2015 | Ministry of Public Administration and inter-institutional e-Croatia working group |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|---|---|------------------------|--|
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 4 - indicators to measure progress of interventions in areas such as digital literacy, e-inclusion, e-accessibility, and progress of e-health within the limits of Article 168 TFEU which are aligned, where appropriate, with existing relevant sectoral Union, national or regional strategies; | Action plan with clear indicators (wherever appropriate indicators used in the Digital Agenda Scoreboard will be used) and a monitoring mechanism system to measure progress of ICT use and its impact on national and regional level, will be set up by the end of June 2015. | 30-Jun-2015 | Ministry of Public Administration and inter-institutional e-Croatia working group |
| T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives. | 5 - assessment of needs to reinforce ICT capacity-building. | <ul style="list-style-type: none"> – an analysis of the weaknesses in administrative capacity to identify and deliver ICT interventions arising from existing Union, national or regional strategies. – based on the analysis, an assessment and program with the description of measure to be taken to respond to the needs to reinforce ICT capacity-building will be prepared, as to ensure the capacity of intermediate bodies and beneficiaries to identify and deliver those interventions. | 30-Jun-2015 | Ministry of Public Administration in cooperation with all line ministries and Committee for the implementation of ICT in the Public sector |
| T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an | 1 - A national or regional NGN Plan is in place that contains: | New Strategy for Broadband Development in the Republic of Croatia for 2016 – 2020 period with Implementation Programme containing detail measures will be and adopted by the Government, by the end of 2014. High-speed Internet access targets defined within this Strategy will be aligned with DAE targets- pillar 4. National program for backhaul broadband infrastructure (NP-BBI) covering state aid measures for backhaul portions of NGN networks | 30-Jun-2015 | Ministry of maritime affairs, transport and infrastructure |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|---|--|--|-----------------|---|
| open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups. | | in white and grey areas is currently under preparation. It is expected that it will be officially sent for notification procedure to DG COMP by the end of September 2014 (after public consultations are held and comments are taken into account). It is foreseen that by the mid-2015 NP-BBI state-aid clearance will be received. After receiving state-aid clearance Croatian Government will officially adopt NP-BBI. Nevertheless, NP-BBI document representing kind of guidelines will be ready in September 2014. | | |
| T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA). | 2 - The specific actions are: measures have been put in place with the objective of reducing the time needed to get licenses and permits to take up and perform the specific activity of an enterprise taking account of the targets of the SBA; | <p>It will be necessary to map and analyse all specific areas and activities in order to determine those for which specific licences and permits are required and the time needed for issuing of those specific licences and permits.</p> <p>Afterwards, steps should be taken to reduce the time for issuing of specific licences and permits taking into account of the targets of the SBA.</p> <ul style="list-style-type: none"> - The first step in the action plan will be listing of all necessary licences and permits that need to be issued for enterprises performing specific activities as well as the list of responsible state administration. -The second step includes performing detailed analysis of the issuing procedures of identified specific licences and permits in order to determine which take longer than 3 months, if any. - The third step includes development of an action plan, together with each responsible authority, for reducing | 31-Dec-2016 | Ministry of Entrepreneurship and Crafts as leading ministry |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|---|-----------------|--|
| | | the issuing of each determined licence and permit to acceptable period of max. 3 months (through legislative adj | | |
| T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings. | 1 - The actions are: measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Article 3, Article 4 and Article 5 of Directive 2010/31/EU of the European Parliament and of the Council; | <p>1. Calculations of cost-optimal levels of minimum energy performance requirements for buildings & building elements for multi-family, office & other non-residential buildings is in process.</p> <p>2. Update of Technical regulation on energy economy and heat retention buildings will contain energy performance requirements for all types of the buildings, calculated on the basis of cost optimal analysis. The updated technical regulation will incorporate the results of the calculations under point 1.</p> <p>The Calculation of cost-optimal levels of minimum energy performance requirements, in accordance with Art. 5 (2) of Directive 2010/31/EU is in process. This calculation has been prepared so far for the category of single-family houses & building elements that form part of the building envelope and that have a significant impact on the energy performance of the building envelope when they are replaced or retrofitted, reflecting national & local conditions, including climate ones.</p> | 31-Dec-2014 | Ministry of Construction and Physical Planning |
| T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings. | 2 - The actions are: measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU; | 1. New ordinance on energy audit of buildings and energy certification that will prescribe design and content of the new version of energy certificate. The ordinance will prescribe that the energy performance certificate contain energy performance of a building and reference values such as minimum energy performance requirements, annual energy consumption for non- residential buildings, recommendations for the cost-optimal or cost-effective improvement of the energy performance of a building or building unit, an estimate for the range of payback periods, | 31-Dec-2014 | Ministry of Construction and Physical Planning |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|---|-----------------|---------------------|
| | | an indication as to where the owner or tenant can receive more detailed information, including as regards the cost-effectiveness of the recommendations made in the energy performance certificate. | | |
| T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power. | 1 - Support for co-generation is based on useful heat demand and primary energy savings consistent with Article 7(1) and points (a) and (b) of Article 9(1) of Directive 2004/8/EC; | <p>Programme for the use of efficiency potential in heating and cooling for the period 2016-2030 according to Directive 2012/27.</p> <p>The programme will include identification and calculation of potential for useful heating and cooling demands, appropriate mechanisms in order to increase share of high-efficiency cogeneration and identification of existing obstacles and barriers and measures for its minimisations/eliminations.</p> | 01-Jul-2015 | Ministry of Economy |
| T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power. | 2 - Member States or their competent bodies have evaluated the existing legislative and regulatory framework with regard to authorisation procedures or other procedures in order to: (a) encourage the design of co-generation units to match economically justifiable demands for useful heat output and avoid production of more heat than useful heat; and (b) reduce the regulatory and non-regulatory barriers to an | <p>Programme for the use of efficiency potential in heating and cooling for the period 2016-2030 according to Directive 2012/27.</p> <p>The programme will include identification and calculation of potential for useful heating and cooling demands, appropriate mechanisms in order to increase share of high-efficiency cogeneration and identification of existing obstacles and barriers and measures for its minimisations/eliminations.</p> <p>Please note that Action to be taken relates to the criteria b) reduce the regulatory and non-regulatory barriers to an</p> | 01-Jul-2015 | Ministry of Economy |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|---|--|------------------------|--|
| | increase in co-generation. | increase in co-generation. The Criteria a) encourage the design of co-generation units to match economically justifiable demands for useful heat output and avoid production of more heat than useful heat is assessed to be fulfilled as explained in Table 24 and in additional information and explanation provided in separate files under the Documents section. | | |
| T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation | 1 - A national or regional risk assessment with the following elements shall be in place: | <ol style="list-style-type: none"> 1. Informing the Public through official web pages 2. Public Consultations 3. Adoption of a document containing single risk scenarios and multi-risk scenarios for each main risk (Adoption of the Disaster Risk Assessment for the Republic of Croatia). The additional information and explanation is provided in separate files under the Documents section. | 31-Dec-2015 | Government of the Republic of Croatia and National Protection and Rescue Directorate |
| T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation | 2 - a description of the process, methodology, methods, and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment; | <ol style="list-style-type: none"> 1. Government Decision on The Risk Assessment Procedure 2. Establishment of the main Risk Assessment Working Group (mRAWG) 3. Preparation of the Risk Assessment and Mapping Methodology 4. Identification and endorsement of the main risks 5. Establishment of the “specific risk” working groups for the main risks | 30-Jun-2014 | Government of the Republic of Croatia and National Protection and Rescue Directorate |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|---|--|---|-----------------|---|
| T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation | 3 - a description of single-risk and multi-risk scenarios; | 1. Preparation of a document containing single risk scenarios and multi-risk scenarios for each of the main risks | 30-Nov-2015 | Government of the Republic of Croatia and National Protection and Rescue Directorate |
| T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation | 4 - taking into account, where appropriate, national climate change adaptation strategies. | Throughout the whole risk assessment process national climate change adaptation strategies and experts will be consulted and address the impact of climate change on all relevant and analysed areas. Stakeholders responsible for climate change are also a part of the main Risk Assessment Working Group. | 31-Dec-2015 | National Protection and Rescue Directorate |
| T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes. | 2 - The adoption of a river basin management plan for the river basin district consistent with Article 13 of Directive 2000/60/EC. | <p>1. Document "Program of water status monitoring for 2014 - 2019" with detailed multi-annual monitoring program is to be completed.</p> <p>2. Monitoring established and performed in the scope, type and testing method completely aligned with European and national standards</p> <p>3. The RBMP 2016-2021 enacted, including final list of artificial and HMWBs, final list of water bodies candidates for extension of deadlines and /or programme of additional measures to achieve good status in sense of Article 4(4) of WFD, measures taken under Article 11(5) for bodies of water which are unlikely to achieve the objectives set out under Article 4 of the WFD.</p> <p>The additional information and explanation on actions are</p> | 31-Dec-2015 | Ministry of Agriculture (Croatian Water are the institution responsible for implementation of the monitoring) |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|--|-----------------|--|
| | | provided in separate file under the Documents section. | | |
| T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy. | 3 - The existence of waste prevention programmes, as required under Article 29 of Directive 2008/98/EC; | <ol style="list-style-type: none"> 1. Signing of the contract for the TA project and commencement of the preparation of the WMP 2015-2021. 2. Draft National Waste Management Plan for the period 2015-2021 including a draft National Waste Prevention Programme for the same period prepared. 3. Draft of the Strategic Environmental Assessment Report of the National Waste Management Plan 2015-2021 including the National Waste Prevention Programme 4. Inter-ministerial consultations on the Draft National Waste Management Plan 2015-2021. 5. Completion of the Strategic Environmental Assessment procedure of the National Waste Management Plan 2015-2021 including the National Waste Prevention Programme. 6. Adoption of the National Waste Management Plan 2015-2021 including the National Waste Prevention Programme by the Croatian Government. | 01-Oct-2015 | Ministry of Environmental and Nature Protection |
| T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy. | 4 - Necessary measures to achieve the targets on preparation for re-use and recycling by 2020 consistent with Article 11(2) of Directive 2008/98/EC have been adopted. | <p>Some of the necessary measures (like landfill tax, deposit system, public service fee which is proportional to the amount of the produced waste etc) are already introduced under the current Act on Sustainable Waste Management. In line with the Act, by July 2014 a set of additional regulations will be adopted which will contribute to target achievement.</p> <p>According to the Act on Sustainable Waste Management all units of local self-government shall ensure in its area</p> | 31-Jul-2014 | Ministry of Environmental and Nature Protection, self government units |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|---|---|---|--------------------|---|
| | | <p>separate collection of waste paper, metal, glass, plastic, textile and bulky municipal waste by July 2014.</p> <p>At the moment regulations regarding waste energy recovery and incineration are under development and in that respect the introduction of incineration tariff policy is being considered and it will be regulated through new regulations-</p> | | |
| <p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.</p> | <p>5 - a realistic and mature pipeline for projects for which support from the ERDF and the Cohesion Fund is envisaged;</p> | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) <p>The Republic of Croatia has prepared a draft project pipeline setting a realistic project list with a time schedule that could be amended. The basis for the development of the project pipeline are the objectives and the measures of the Transport Development Strategy</p> | <p>30-Dec-2016</p> | <p>Ministry of Maritime Affairs, Transport and Infrastructure</p> |
| <p>T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level)</p> | <p>1 - The existence of a comprehensive transport plan or plans or framework or frameworks for transport investment which complies with legal requirements for strategic environmental assessment and</p> | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model | <p>30-Dec-2016</p> | <p>Ministry of Maritime Affairs, Transport and Infrastructure</p> |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|---|------------------------|--|
| which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | sets out: | 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) | | |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | 2 - the contribution to the single European Transport Area consistent with Article 10 of Regulation (EU) No .../2013 of the European Parliament and of the Council, including priorities for investments in: | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | 3 - the core TEN-T network and the comprehensive network where investment from the ERDF and the Cohesion Fund is envisaged; and | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' | 4 - secondary connectivity; | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|---|--|---|------------------------|--|
| institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | | <ol style="list-style-type: none"> 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) | | |
| T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. | 6 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline. | The Republic of Croatia, in order to boost the capacity of the final beneficiaries is considering to create specilized project promoters for specific groups of projects whose task would be the development, the procurement and the implementation of the projects. Currety, possiblities are being assessed (agency or outsourcing and to a private entity) | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |
| T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and | 1 - The existence of a section on railway development within the transport plan or plans or framework or frameworks as set out above which complies with legal requirements for strategic environmental assessment (SEA) and sets out a realistic and mature project pipeline (including a timetable and budgetary framework); | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|---|-----------------|--|
| capacity building. | | | | |
| T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building. | 2 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline. | The Republic of Croatia, in order to boost the capacity of the final beneficiaries is considering to create specialized project promoters for specific groups of projects whose task would be the development, the procurement and the implementation of the projects. Currently, possibilities are being assessed (agency or outsourcing and to a private entity) . | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |
| T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines. | 3 - contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including people from marginalised communities; | Measures that need to be implemented in order to achieve goals of the Strategy for fight against poverty and social exclusion 2014 – 2020 will be elaborated within a separate Implementation Programme for the period of three years (first implementation programme will cover the period for: 2014 - 2016) The programme will include concrete measures, bodies responsible for each measure, deadlines for fulfilment and indicators of achievement that will be in line with the active inclusion indicators for Europe 2020 and will contribute to the achievement of the national poverty and social inclusion target. The implementation programme will also include system on monitoring data on poverty and social exclusion | 30-Sep-2014 | Ministry of Social Policy and Youth Bodies responsible for implementing and monitoring certain measures |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|---|------------------------|--|
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 3 - identifies where relevant those disadvantaged micro-regions or segregated neighbourhoods, where communities are most deprived, using already available socio-economic and territorial indicators (i.e. very low educational level, long-term unemployment, etc); | <p>Under the IPA 2012 project “Support to National Minorities at Local Level” mapping of Roma communities in Republic of Croatia will be conducted as a basis for evidence based policy making and monitoring impact of interventions and policies.</p> <p>Using available data, GOHRRNM will draft new Action Plan for the Implementation of the NRIS (AP NRIS), for the period 2016-2018, providing framework targeted measures.</p> <p>Results of the mapping will be the basis for developing targeted measures, particularly on the local level.</p> | 31-Dec-2016 | Government Office for Human Rights and Rights of National Minorities (GOHRRNM) |
| T.09.2 - A national Roma inclusion strategic policy framework is in place. | 5 - is designed, implemented and monitored in close cooperation and continuous dialogue with Roma civil society, regional and local authorities. | <p>Forming of a semi-permanent coordinating body of mayors from local self-government units with significant Roma population. Collaboration and exchange of information will be done online, and semi-annual meetings will be organized with the goal of discussing problems faced by Roma community on the local level, and encouraging design and adoption of county action plans in counties where such plans have not been adopted yet.</p> <p>In cooperation with the Ministry of Finance, GOHRRNM will draft a recommendation to local self-government units to introduce a special budget line for financing targeted measures aimed at improving the situation of Roma communities, enabling a more transparent and appropriate budgeting system.</p> | 31-Dec-2016 | GOHRRNM (in cooperation with Roma civil society, local/regional self-government units , Ministry of Finance, professional associations of municipalities, towns and counties, and other relevant stakeholders) |
| T.09.3 - Health: The existence of a national or regional strategic policy | 4 - a monitoring and review | Strategic plans for different segments of the health will | 31-Oct-2014 | Ministry of Health |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|---|--|---|-----------------|---|
| framework for health within the limits of Article 168 TFEU ensuring economic sustainability. | system. | <p>address the issue of monitoring.</p> <p>Adoption of the National hospital plan by the Parliament of the Republic of Croatia</p> <p>Action plan for adoption of the Strategic plan of human resources development in health care:</p> <p>Public consultations, with draft plans made publicly available on web pages of Ministry of Health</p> <p>Revision of the Strategic plan according to the results of public consultations and adoption of Strategic plan by the Government of the Republic of Croatia</p> | | <p>Parliament of the Republic of Croatia</p> <p>Government of the Republic of Croatia</p> |
| T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility. | 1 - The existence of a section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure within the transport plan or plans or framework or frameworks which: | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|---|---|--|------------------------|--|
| T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility. | 2 - complies with legal requirements for strategic environmental assessment; | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |
| T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility. | 3 - sets out a realistic and mature project pipeline (including a timetable and budgetary framework); | <ol style="list-style-type: none"> 1. Development of Transport Development Strategy (adopted by the Croatian Government) 2. Strategic Environmental Assessment for the Transport Development Strategy 3. Development of the National Traffic Model 4. Revised and final Transport Development Strategy (adopted by the Croatian Parliament) <p>The Republic of Croatia has prepared a draft project pipeline setting a realistic project list with a time schedule that could be amended. The basis for the development of the project pipeline are the objectives and the measures of the Transport Development Strategy.</p> | 30-Dec-2016 | Ministry of Maritime Affairs, Transport and Infrastructure |
| T.07.3 - Other modes of transport, | 4 - Measures to ensure the | The Republic of Croatia, in order to boost the capacity of | 30-Dec-2016 | Ministry of Maritime |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|--|--|---|-----------------|---|
| including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility. | capacity of intermediary bodies and beneficiaries to deliver the project pipeline. | the final beneficiaries is considering to create specialized project promoters for specific groups of projects whose task would be the development, the procurement and the implementation of the projects. Currently, possibilities are being assessed (agency or outsourcing and to a private entity) | | Affairs, Transport and Infrastructure |
| T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU. | 2 - to improve the labour market relevance of VET systems in close cooperation with relevant stakeholders including through mechanisms for skills anticipation, adaptation of curricula and the strengthening of work-based learning provision in its different forms; | <p>-a direct award to the Ministry of Science, Education and Sports which will support the establishment of Sectoral councils along with educational and informative activities related to the CROQF is envisaged under the OP 2007-2013.</p> <p>-a direct award to the Ministry of Labour and Pension system which will support the process of further development of occupational standards is envisaged under the OP 2007.-2013.</p> <p>-development of National Framework Curriculum as well as VET sectoral curricula which will provide students with competences that will make them competitive for the labour market and ensure successful inclusion in tertiary education and/or LLL (2015. i 2016.)</p> <p>-harmonization of educational offer in VET to the needs of labour market will be supported through the implementation of the projects financed by the ESF</p> | 31-Dec-2016 | Ministry of Science, Education and Sports Ministry of Labour |

| Thematic ex-ante conditionality | Criteria not fulfilled | Actions to be taken | Deadline (date) | Bodies responsible |
|---|--|--|--------------------|--|
| <p>T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.</p> | <p>2 - to support the developing and linking services for LL, including their implementation and skills upgrading (i.e. validation, guidance, education and training) and providing for the involvement of, and partnership with relevant stakeholders ;</p> | <p>Ordinance for recognition and validation of non-formal and informal learning is in process of drafting. The Ordinance will for the first time set up a nation-wide system of recognition of NFIL.</p> | <p>31-Mar-2015</p> | <p>Ministry of Science, Education and Sports</p> |

10. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce administrative burden.

As one of the permanent key measures contributing to the overall efficiency of the MCS, consequently resulting with the reduction of the administrative burden for beneficiaries, refers to the continuous use of standardized procedures (business processes), tools and methods, which are, where appropriate, supported by joint MIS.

The corpus of standardized business processes for ERDF and CF programmes (as well as for ESF programme) is codified in Common National Rules (CNR), which have been established for 2007-2013 period, and are being updated, upgraded and adjusted for the purpose of 2014-2020 MCS (the timeline for this exercise is set for end of 2014). CNRs cover business processes with accompanying proscribed forms related to: eligibility of expenditure, risk management and improvement of the system, conditions for preparation and implementation of projects, forecasting and monitoring, audit trail, selection and contracting, verifications, payments, certification, recoveries, audits, irregularities, information and visibility, strategic planning, programming, evaluation and closure. The permanent efforts for standardization of business processes related to conditions for preparation and implementation of projects, which is to contribute to the strengthening of competences of beneficiaries and, consequently, reducing the necessary workload on their side, are constantly being invested to tackle the key aspect of administrative burden for beneficiaries identified, which refers to the procedural complexity, procedural incompatibility and diversity in terms of different administrative requirements by different bodies in the MCS. Therefore, further simplification of common procedures (especially on conditions for the preparation and implementation of projects), standardized at the level of CNR, is to enable beneficiaries to (a) prepare significant part of the project application in advance even before the call is published, (b) build the capacities for the implementation of the project in advance and (c) reduce the resources required for administrative implementation of the project, focusing more on the content of the project itself.

Within the further simplification of common procedures, new diversified and simplified procedures for application and selection of projects are planned to be introduced, enabling the selection of projects to be completed in shorter timeframe and with optimal use of resources of both the MCS and the beneficiary.

Also, it is possible that simplified cost options would be introduced by developing required methodology, enabling the process of verification and reimbursement of funds to be completed in shorter timeframe and with optimal use of resources on both, the side of the MCS and the beneficiary.

To contribute to this aim is also **further development and further interconnection of the computerised system(s)** for management, monitoring, audit, control and evaluation, resulting with the simplification of administrative procedures (to be supported through TA interventions).

Widening the scope of application of electronic systems in the context of OP management, namely through

- Beneficiaries Portal - an interactive platform to be established by the end of 2015 by upgrading the existing central website, in order to further enhance electronic communication between the applicants/beneficiaries and the bodies of the MCS, in line with e-cohesion requirements, thus facilitating the exchange of information and consequently reducing resources necessary for that purpose. Beneficiaries Portal is to enable potential applicants/beneficiaries to obtain all relevant information from one source, especially in terms of assisting them in the process of preparation of projects by using centrally coordinated mechanisms of dissemination of information for beneficiaries. The central web site operated by the CB is planned to be upgraded into 'one stop shop' for acquiring (a) information on funding opportunities, (b) information on applicable rules and procedures, (c) e-learning contents available on-line as well as information on other learning opportunities related to project management and (d) contacts of bodies responsible for further support to potential beneficiaries within particular policy area;
- new features of the MIS, as well as
- interconnection with other electronic systems

is to (a) allow that information by the beneficiaries is provided in electronic form and submitted only once (once encoding principle), (b) reduce the overall number of information and supporting documents required from the beneficiaries, which the MCS can obtain and validate on its own, and (c) reduce the efforts by the beneficiaries in repeated submission of information and supporting documents (in case the same beneficiary submits more applications for different projects (and also under different programmes). These activities are to be performed continuously.

Also, further upgrading of the work of existing Publicity Officers Network (PON), in order for it not to only ensure coordinated and simultaneous **dissemination of all OP management related information but also to provide first level technical support to potential beneficiaries**, at all levels, is to contribute in this way to the reduction of administrative burden for them. The members of the PON are to be trained and licensed by the CB. This activity is implemented on a permanent basis, with the first cycle of licensing to be completed by the mid-2015.

With regard to efforts to enhance the capacities of beneficiaries for proper and successful implementation of projects, **trainings for beneficiaries** (focusing on specific issues, primarily on areas of high risk for potential irregularities, such as public procurement and state aid, or focusing on individual calls for proposals) are intended to be permanently available and regularly delivered, in order to provide the beneficiaries with additional knowledge and expertise on issues of importance for preparation and implementation of projects.

Apart from the afore mentioned measures, based on permanent risk management in the management and control system, specific features of procedures and requirements shall be constantly improved, based on lessons to be learned over time.

11. HORIZONTAL PRINCIPLES

11.1 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.

As outlined in the Partnership Agreement, the three main national development goals are **economic growth, employment growth and preservation of national resources**. Given that the principles of sustainable growth should be incorporated in all sectors of economy and development, special attention will be given to environmental protection, resource efficiency, climate change mitigation and risk prevention and management in the selection of operations. In many areas planned activities reach far beyond direct environmental and climate benefits, providing a high potential for employment through creation of the so-called green jobs and business development but also enable social integration and wellbeing through increasing the quality of life.

A comprehensive **strategic environmental assessment** procedure is being conducted for OPCC, with SEA study outlining measures for mitigation of the adverse environmental impacts in implementation of the planned interventions. A detailed analysis in the form of project level environmental impact assessment will be required in order to specify all types of potential influences and list measures for their avoidance. For all projects, applicants will be expected to prove that their project does not have a harmful environmental impact, and/or present how the project will make a positive contribution to sustainable development.

Implementation at the project level will be carried out respecting the **‘polluter pays’ principle**, which is already incorporated in the Environmental Protection Act (OG 80/13), according to which the polluter is obliged to cover the costs arising from polluting the environment, removing the damage from the environment, as well as costs for measures for preventing environment pollution. Additional regulatory mechanisms are being introduced where necessary, in order to contribute to respecting the PP principle. In the waste sector, necessary measures are incorporated in the Act on Sustainable Waste Management: the landfill tax, deposit system, public service fee proportional to the amount of waste produced, while an additional set of regulations which will contribute to its implementation is under preparation. Legislative framework for water management includes the principles of cost recovery of water services and the PP / ‘user pay’ principle.

Under **PA 6**, an area that needs to be singled out is the management of **Natura 2000 sites**. Given that Natura 2000 sites provide the core potential for regional development, planned investments will contribute to reach the objectives of sustainable management and provide benefits to the local and regional economy.

Under **PA 2**, extending broadband infrastructure investments will be executed in a way least harmful for the environment and nature. More specifically, the existing infrastructure corridors will be used for acceptance of new broadband infrastructure, assuring that construction works for different types of investments and infrastructure will be coordinated and grouped.

Special criteria in the selection procedure are planned as follows:

- Promotion of investments in small scale RES projects generating energy which will be used on the place of generation, considering the “ecosystem based adaptation”.
- Usage of sustainably produced biomass .
- Priority will be given to operations taking place within existing building zones or corridors.
- In PA 7 selection will depend on demonstrated focus on minimizing consumption of primary energy sources and contribution to mitigation of climate change and atmospheric pollution.
- Inland waterways projects, providing environmental advantages in cargo transport but located within delicate ecosystems, will have to ensure that all of the needed environmental aspects are covered.
- Green growth will represent an additional selection criteria where appropriate, for instance in the investments in infrastructure for R&D and innovation.
- Creative and cultural industries, and tourism that involves creative and cultural aspects of local development, will be assessed by taking into account the sustainability development criteria.
- Social innovation projects will get additional qualitative points in case they contribute to the local community and respond to more than one societal challenge.
- Sustainable development principle will be considered in operations related to self-employment and promotion of entrepreneurship, social entrepreneurship, education and LLL where the promotion of the research and development sector is to demonstrate a direct link with sustainable development.

The fulfilment of the sustainable development principle will be monitored at the project level through monitoring reports, as well as through control of project implementation on the spot and subsequent evaluation of the contribution to the horizontal principles objectives.

A highly specific problem of the Croatian territory is mine contamination, which is a legacy of the 1991-1996 war. Mine contamination represents a problem in terms of stability, social inclusion as well as of economic development. Total mine suspected territory (May 1st, 2014) in the Republic of Croatia amounts at 610 km². More than half of the mine suspected area of the country is attributed to Natura 2000 sites and nature protected areas which presents an obstacle for effective management of mentioned areas. Consequently, mine clearance and mine checking will represent an eligible activity as the first step within site preparation to the project.

11.2 Equal opportunities and non-discrimination

Description of specific actions to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational 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 for ensuring accessibility for persons with disabilities.

General information on **equal opportunities and non-discrimination** were presented in the **Partnership Agreement**, under chapter **1.5.2 Promotion of equality between men and women, non-discrimination and accessibility (with reference to Article 7 of CPR)**. The policy for the protection of human rights, antidiscrimination policy, policy of gender equality as well as equality of national minorities is accepted at the highest national level through the Constitution, decisions of the Croatian Government and the Croatian Parliament. Integral parts of the strategic framework for the promotion of equality are national plans, programmes and strategies, which define goals and prescribe measures to be taken for the improvement of general living, social and economic conditions of the identified groups. Related legal acts and the supporting strategies and programmes have been transposed as part of the *acquis communautaire*.

In line with Article 7 of CPR, non-discrimination principles have been and will be taken into account during the development and implementation of OPCC, which includes its monitoring and evaluation. Legal framework and current national developments concerning the equal opportunities and non-discrimination were explained in details in the Partnership Agreement under section 1.5.2. as well as in the general ex-ante conditionalities table.

In order to mitigate the risk of discrimination in the planning and implementation phases of infrastructure projects, accessibility will be ensured for persons with disability, as well as access to products and services. As regards the priority axis **Connectivity and Mobility**, equality of opportunities for access to the transport infrastructure is one of the most important factors influencing the living conditions and living standard for all groups of inhabitants, where special attention will be given to disabled groups and persons with special needs. Provisions to include accessibility will be incorporated in the programming and implementation of projects.

A number of infrastructure investments will be implemented within the priority axis **Social inclusion and Health**, aiming at improvement of living conditions for groups at risk of social exclusion and vulnerable groups. These interventions include improvement of social housing, rehabilitation and construction of social/public infrastructure to reduce poverty and balance the local and regional access to public services, infrastructure investments in childcare, elderly care and long-term care, infrastructure supporting shift to community based services as well as improvement of efficiency of health care provision.

Equal opportunities and non-discrimination principles will be applied across all priority axes, by means of positive action measures and activities targeted to support particular groups. As different priority axes may contribute to the promotion of equality, non-discrimination and accessibility to a varied extent, tailor-made solutions are prepared to set either obligatory or optional requirements on project level.

To ensure that the gender equality, non-discrimination and accessibility policies are taken into account at all levels of the OPCC implementation, the following procedures shall be adopted:

- Selection: To encourage applicants to take full account of equal opportunities, the principles will be included in the projects application and selection procedures. All projects will be required to demonstrate within the Application Form, how they will contribute to equal opportunities, describing the method how the issue has been taken into account.
- Contracting: The requirement to observe equality principles during project implementation shall be built into contracts with applicants, and shall be checked as part of the monitoring and reporting procedures.
- Monitoring: To assess results achieved related to the equal opportunities, indicators will be built into the project monitoring system. The results will be reviewed quarterly by the IBs who will report to the MA. Report on results achieved linked to equality principles will be included into Annual Implementation Reports.
- Evaluation: The Evaluation plan will be developed for each priority axis and measures will be taken to conducting on-going evaluations which would include the question to what extent the selection criteria, the monitoring systems and management and control procedures support the implementation of equality principles.

11.3 Equality between men and women

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

General information on **equality between men and women** were presented in the **Partnership Agreement**, under chapter **1.5.2 Promotion of equality between men and women, non-discrimination and accessibility (with reference to Article 7 of CPR)**. As already stated above, the policy for the protection of human rights, antidiscrimination policy, policy of gender equality as well as equality of national minorities is accepted at the highest national level through the Constitution, decisions of the Croatian Government and the Croatian Parliament.

The Labour Act[1] is the most important legal act containing provisions for the prevention of discrimination in the field of employment. It has been aligned with Directive 2006/54/EC of the European Parliament and of the Council on the implementation of the principle of equal opportunities and equal treatment. A Gender Equality Ombudsperson is responsible for the monitoring of the respect and proper implementation of the legal requirements.

Women's entrepreneurship will be supported through a specific sub-activity under the SEECEL initiative under priority axis **Business competitiveness**, which will help raise the awareness on specifics of the entrepreneurship of women in Croatia and the SEE

region, by promoting best policy practices in women's entrepreneurship in line with the Small Business Act (SBA) for Europe and capacity building of national and regional women entrepreneur's networks & associations, through combined public and private efforts, with the final impact on reducing female unemployment.

Gender equality principles will be applied across all priority axes, by means of positive action measures and activities targeted to support particular groups.

The method which will ensure that the gender equality, non-discrimination and accessibility policies are taken into account at all levels of the OPCC implementation was explained under chapter **11.2. Equal opportunities.**

[1] Official Gazette, No. 149/09

12. SEPARATE ELEMENTS

12.1 Major projects to be implemented during programming period

Table 27: List of major projects

| Project | Planned notification/submission date (year, quarter) | Planned start of implementation (year, quarter) | Planned completion date (year, quarter) | Priority Axes / Investment Priorities |
|---|--|---|---|--|
| Centre of Competence for Translational Medicine at the Children's Hospital Srebrnjak | 2015, Q3 | 2015, Q4 | 2018, Q2 | 1 - Strengthening the Economy through Application of Research and Innovation / 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |
| Construction of corridorVc, Motorway Section Beli Manastir-Osijek | 2015, Q1 | 2016, Q1 | 2018, Q4 | 7 - Connectivity and Mobility / 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| Development of aggregation (backhaul) NGN networks in NGN white and grey areas in Croatia | 2015, Q1 | 2015, Q3 | 2020, Q4 | 2 - Use of Information and Communication Technologies / 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy |
| Dubrovnik Airport | 2014, Q4 | 2015, Q1 | 2019, Q4 | 7 - Connectivity and Mobility / 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| GSM-R | 2016, Q1 | 2016, Q4 | 2019, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| Goljak - Skradnik | 2016, Q4 | 2018, Q4 | 2020, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |

| Project | Planned notification/submission date (year, quarter) | Planned start of implementation (year, quarter) | Planned completion date (year, quarter) | Priority Axes / Investment Priorities |
|--|---|--|--|--|
| Gradiška bridge | 2015, Q1 | 2016, Q4 | 2018, Q4 | 7 - Connectivity and Mobility / 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| KAŠTELA-TROGIR | 2015, Q4 | 2016, Q4 | 2020, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| NIN-PRIVLAKA-VRSI-VIR | 2015, Q1 | 2016, Q1 | 2019, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| OSIJEK | 2016, Q3 | 2016, Q4 | 2018, Q3 | 1 - Strengthening the Economy through Application of Research and Innovation / 1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Okučani - Vinkovci | 2015, Q4 | 2016, Q4 | 2018, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| Open scientific infrastructural platforms for innovative applications in economy and society – O-ZIP | 2016, Q4 | 2017, Q2 | 2020, Q4 | 1 - Strengthening the Economy through Application of Research and Innovation / 1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest |

| Project | Planned notification/submission date (year, quarter) | Planned start of implementation (year, quarter) | Planned completion date (year, quarter) | Priority Axes / Investment Priorities |
|---|---|--|--|---|
| POREČ | 2016, Q3 | 2016, Q4 | 2018, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Podsused - Samobor | 2016, Q4 | 2018, Q4 | 2020, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| RIJEKA | 2015, Q4 | 2016, Q4 | 2020, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| RVS ISTOČNA SLAVONIJA | 2015, Q1 | 2016, Q1 | 2019, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| RVS ZAGREB ISTOK | 2014, Q3 | 2015, Q3 | 2019, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Railway Dugo Selo - Novska | 2016, Q4 | 2018, Q1 | 2020, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| Railway Dugo Selo – Križevci (from 2007-2013, subject to phasing) | 2015, Q4 | 2015, Q4 | 2018, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| Railway Hrvatski Leskovac - Karlovac | 2015, Q4 | 2016, Q4 | 2020, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| Railway Križevci - Koprivnica –national border | 2016, Q1 | 2016, Q4 | 2020, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting |

| Project | Planned notification/submission date (year, quarter) | Planned start of implementation (year, quarter) | Planned completion date (year, quarter) | Priority Axes / Investment Priorities |
|--|---|--|--|---|
| | | | | noise reduction measures |
| Remediation of Karepovac landfill | 2017, Q3 | 2018, Q1 | 2020, Q3 | 6 - Environmental Protection and Sustainability of Resources / 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Remediation of location highly polluted by waste ("hot spot") - Sovjak | 2015, Q3 | 2016, Q3 | 2020, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Rijeka D403 | 2015, Q4 | 2016, Q4 | 2018, Q3 | 7 - Connectivity and Mobility / 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| Road connection to south Dalmatia | 2015, Q2 | 2016, Q3 | 2019, Q4 | 7 - Connectivity and Mobility / 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| SPLIT-SOLIN | 2015, Q4 | 2016, Q4 | 2020, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Third lane on the setion MW Zgb - Karlovac | 2016, Q4 | 2018, Q3 | 2020, Q4 | 7 - Connectivity and Mobility / 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes |
| Traffic management center | 2017, Q1 | 2017, Q4 | 2020, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| VELIKA GORICA | 2014, Q3 | 2015, Q3 | 2019, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |

| Project | Planned notification/submission date (year, quarter) | Planned start of implementation (year, quarter) | Planned completion date (year, quarter) | Priority Axes / Investment Priorities |
|--------------------|---|--|--|---|
| VUKOVAR | 2016, Q3 | 2016, Q4 | 2018, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Vinkovci - Vukovar | 2016, Q3 | 2017, Q4 | 2019, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| WMC Antunovac | 2015, Q3 | 2016, Q1 | 2018, Q3 | 6 - Environmental Protection and Sustainability of Resources / 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| WMC Biljane donje | 2015, Q1 | 2015, Q3 | 2017, Q3 | 6 - Environmental Protection and Sustainability of Resources / 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| WMC City of Zagreb | 2015, Q2 | 2016, Q3 | 2018, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| WMC Lećeveica | 2015, Q2 | 2015, Q4 | 2018, Q2 | 6 - Environmental Protection and Sustainability of Resources / 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| WMC Piškornica | 2014, Q4 | 2015, Q2 | 2017, Q3 | 6 - Environmental Protection and Sustainability of Resources / 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| ZABOK-ZLATAR | 2015, Q4 | 2016, Q4 | 2019, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |

| Project | Planned notification/submission date (year, quarter) | Planned start of implementation (year, quarter) | Planned completion date (year, quarter) | Priority Axes / Investment Priorities |
|---|--|---|---|---|
| ZAGREB | 2016, Q2 | 2017, Q2 | 2020, Q4 | 6 - Environmental Protection and Sustainability of Resources / 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements |
| Zagreb region Interated transport system – 3 Counties | 2017, Q2 | 2018, Q2 | 2020, Q4 | 7 - Connectivity and Mobility / 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility |
| Zaprešić - Zabok | 2014, Q4 | 2015, Q1 | 2017, Q4 | 7 - Connectivity and Mobility / 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures |
| e-Schools project | 2016, Q1 | 2016, Q2 | 2020, Q4 | 2 - Use of Information and Communication Technologies / 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy 2 - Use of Information and Communication Technologies / 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health 9 - Education, Skills and Lifelong Learning / 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure |

12.2 Performance framework of operational programme

Table 28: Performance framework by fund and category of region (summary table)

| Priority axis | Fund | Category of region | Indicator or key implementation step | Measurement unit, where appropriate | Milestone for 2018 | | | Final target (2023) | | |
|---------------|------|--------------------|--------------------------------------|-------------------------------------|--------------------|---|---|---------------------|---|---|
| | | | | | M | W | T | M | W | T |

| Priority axis | Fund | Category of region | Indicator or key implementation step | Measurement unit, where appropriate | Milestone for 2018 | | | Final target (2023) | | |
|--|------|--------------------|---|-------------------------------------|--------------------|---|----------------|---------------------|---|----------------|
| | | | | | M | W | T | M | W | T |
| 1 - Strengthening the Economy through Application of Research and Innovation | ERDF | Less developed | Productive investment: Number of enterprises receiving grants | Enterprises | | | 60 | | | 300.00 |
| 1 - Strengthening the Economy through Application of Research and Innovation | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 171.150.352,00 | | | 782,108,429.00 |
| 1 - Strengthening the Economy through Application of Research and Innovation | ERDF | Less developed | Number of R&D&I integrated projects | Number | | | 1 | | | 4.00 |
| 2 - Use of Information and Communication Technologies | ERDF | Less developed | ICT Infrastructure: Additional households with broadband access of at least 30 Mbps | Households | | | 80.000,00 | | | 315,000.00 |
| 2 - Use of Information and Communication Technologies | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 82.114.179,00 | | | 375,238,443.00 |
| 2 - Use of Information and Communication Technologies | ERDF | Less developed | Number of institutions integrated in Government Cloud | Number | | | 40 | | | 300.00 |
| 3 - Business Competitiveness | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 253 | | | 1,263.00 |
| 3 - Business Competitiveness | | | Productive investment: Number of enterprises receiving support | Enterprises | | | 1.137 | | | 3,445.00 |
| 4 - Promoting Energy Efficiency and Renewable Energy Sources | ERDF | Less developed | Energy efficiency: Number of households with improved energy consumption classification | Households | | | 6.000 | | | 60,669.00 |
| 4 - Promoting Energy Efficiency and Renewable Energy Sources | ERDF | Less developed | Energy efficiency: Decrease of annual primary energy consumption of public buildings | kWh/year | | | 135.000.000 | | | 213,000,000.00 |

| Priority axis | Fund | Category of region | Indicator or key implementation step | Measurement unit, where appropriate | Milestone for 2018 | | | Final target (2023) | | |
|--|------|--------------------|--|-------------------------------------|--------------------|---|-------------|---------------------|---|----------------|
| | | | | | M | W | T | M | W | T |
| 4 - Promoting Energy Efficiency and Renewable Energy Sources | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 123.475.833 | | | 531,810,805.00 |
| 4 - Promoting Energy Efficiency and Renewable Energy Sources | ERDF | Less developed | Nr of buildings (public and residential) for which works contract have been signed for energy renovation | Nr | | | 6.000 | | | 12,000.00 |
| 5 - Climate Change and Risk Management | ERDF | Less developed | Risk prevention and management: Population benefiting from flood protection measures | Persons | | | 0 | | | 5,000.00 |
| 5 - Climate Change and Risk Management | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 57.151.981 | | | 245,396,147.00 |
| 5 - Climate Change and Risk Management | ERDF | Less developed | Number of training / education activities (for the staff of organisations responsible for the risk / disaster management) | Nr | | | 10 | | | 10.00 |
| 5 - Climate Change and Risk Management | ERDF | Less developed | Number of fully analysed flood management districts. | Nr | | | 12 | | | 34.00 |
| 6 - Environmental Protection and Sustainability of Resources | ERDF | Less developed | Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions | Visits/year | | | 31.000 | | | 310,000.00 |
| 6 - Environmental Protection and Sustainability of Resources | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 77.744.690 | | | 338,020,392.00 |
| 6 - Environmental Protection and Sustainability of Resources | ERDF | Less developed | Culture and nature heritage projects approved | Nr | | | 12 | | | 20.00 |
| 6 - Environmental Protection and Sustainability of Resources | CF | | Wastewater treatment: Additional population served by improved | Population equivalent | | | 200.000 | | | 1,000,000.00 |

| Priority axis | Fund | Category of region | Indicator or key implementation step | Measurement unit, where appropriate | Milestone for 2018 | | | Final target (2023) | | |
|--|------|--------------------|--|-------------------------------------|--------------------|---|----------------|---------------------|---|------------------|
| | | | | | M | W | T | M | W | T |
| | | | wastewater treatment | | | | | | | |
| 6 - Environmental Protection and Sustainability of Resources | CF | | Total amount of certified expenditure eligible expenditure | MEUR | | | 382,943,811 | | | 1,649,340,216.00 |
| 6 - Environmental Protection and Sustainability of Resources | CF | | Established and fully operational new waste management centres | Nr | | | 10 | | | 10.00 |
| 6 - Environmental Protection and Sustainability of Resources | CF | | Number of contracted work contracts for water sector projects | Nr | | | 30 | | | 80.00 |
| 6 - Environmental Protection and Sustainability of Resources | CF | | Number of major projects for waste management centres approved by the EC | Nr | | | 7 | | | 7.00 |
| 6 - Environmental Protection and Sustainability of Resources | CF | | Closed and remediated landfills | Nr | | | 20 | | | 60.00 |
| 7 - Connectivity and Mobility | ERDF | Less developed | Roads: Total length of newly built roads | km | | | 10 | | | 53.00 |
| 7 - Connectivity and Mobility | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 92,872,000.00 | | | 400,000,000.00 |
| 7 - Connectivity and Mobility | ERDF | Less developed | Volume of contracted projects falling under SO 7b1 | EUR | | | 150,000,000.00 | | | 330,000,000.00 |
| 7 - Connectivity and Mobility | CF | | Railway: Total length of reconstructed or upgraded railway line, of which: TEN-T | km | | | 20.00 | | | 80.00 |
| 7 - Connectivity and Mobility | CF | | Total amount of certified expenditure eligible expenditure | MEUR | | | 211,331,572.00 | | | 910,205,755.00 |
| 7 - Connectivity and Mobility | CF | | Volume of contracted projects falling under SO 7iii1 | EUR | | | 300,000,000.00 | | | 480,205,755.00 |

| Priority axis | Fund | Category of region | Indicator or key implementation step | Measurement unit, where appropriate | Milestone for 2018 | | | Final target (2023) | | |
|---|------|--------------------|--|-------------------------------------|--------------------|---|---------------|---------------------|---|----------------|
| | | | | | M | W | T | M | W | T |
| 8 - Social Inclusion and Health | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 96,929,702.00 | | | 442,941,176.00 |
| 8 - Social Inclusion and Health | ERDF | Less developed | Health care providers receiving support | No. | | | 5 | | | 30.00 |
| 8 - Social Inclusion and Health | ERDF | Less developed | Number of constructed/reconstructed and equipped infrastructure units | No. | | | 400 | | | 1,700.00 |
| 9 - Education, Skills and Lifelong Learning | ERDF | Less developed | Total amount of certified expenditure eligible expenditure | MEUR | | | 66,914,913 | | | 305,782,107.00 |
| 9 - Education, Skills and Lifelong Learning | ERDF | Less developed | Number of student dormitories reconstructed / built | number | | | 0 | | | 4.00 |
| 9 - Education, Skills and Lifelong Learning | ERDF | Less developed | Number of VET institutions equipped with specialized equipment and modern technologies | number | | | 5.00 | | | 20.00 |
| 9 - Education, Skills and Lifelong Learning | ERDF | Less developed | Works started on percentage of selected locations | % | | | 50 | | | 100.00 |

12.3 Relevant partners involved in preparation of programme

Thematic working group I

Thematic Objective:

1. Strengthening research, technological development and innovation

2. Enhancing access to, and use and quality of ICT

Lead institution: Ministry of Economy

Member institutions

Ministry of Regional Development and EU Funds

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Science, Education and Sport

Ministry of Social Politic and Youth

Ministry of Justice

Ministry of Interior

Ministry of Public Administration

Ministry of Foreign and European Affairs

Ministry of Construction and Physical Planning

Ministry of Defense

Ministry of Entrepreneurship and Crafts

Ministry of Labour and Pension System

Ministry of Culture

Ministry of Health – HZZO (Croatian Health Insurance Fund)

Ministry of Tourism

Ministry of Environment and Nature Protection

Ministry of Economy

National Protection and Rescue Directorate

Central Bureau of Statistics

Department for Information Systems Security

BICRO - Business Innovation Croatian Agency

Government Office for Mine Action

Government Office for Cooperation with NGOs

Government Office for Human Rights and Rights of National Minorities

State Geodetic Administration

SRCE – University Computing Centre

CARNET – Croatian Academic and Research

Agency for Investment and Competitiveness

CEI - Centre for Monitoring of the energy sector and investments

Agency for Agricultural Land

Adriatic Croatia

Eastern part of the continental Croatia

Western part of the continental Croatia

Ministry of Finance

Ministry of War Veterans

Ministry of Agriculture

Thematic Working Group II

Thematic Objective

3. Enhancing the competitiveness of SMEs, the agricultural sector and the fisheries and aquaculture sector

Lead institution: Ministry of Entrepreneurship and Crafts

Member Institutions

Ministry of Regional Development and EU Funds

Ministry of Entrepreneurship and Crafts

Ministry of Construction and Physical Planning

Ministry of Economy

Ministry of Culture

Ministry of Foreign and European Affairs

Ministry of Labour and Pension System

Ministry of Agriculture

Ministry of Tourism

Ministry of Science, Education and Sport

Ministry of Environment and Nature Protection

Government Office for Human Rights and Rights of National Minorities

Government Office for Cooperation with NGOs

Government Office for Gender Equality

BICRO - Business Innovation Croatian Agency

HOK – Croatian Chamber of Trades and Crafts

HGK – Croatian Chamber of Economy

HBOR – Croatian Bank for Reconstruction and Development

HUB – Croatian Banking Association

Government Office for Mine Action

HUP – Croatian Employer's Association

State Office for Trade Policy

Croatian Cooperatives' Association

Ministry of Finance

Croatian Agency for SMEs and Investment

Agency for Agricultural Land

Adriatic Croatia

Eastern part of the continental Croatia

Western part of the continental Croatia

ACI d.d. Opatija

Technical assistance, external experts

Thematic Working Group III

Thematic Objective

4. Supporting the shift towards a low-carbon economy in all sectors

5. Promoting climate change adaptation, risk prevention and management

6. Preserving and protecting the environment and promoting resource efficiency;

Lead institution: Ministry of Environment and Nature Protection

Member Institutions

Ministry of Environment and Nature Protection

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Construction and Physical Planning

Ministry of Agriculture

Ministry of Regional Development and EU Funds

Ministry of Science, Education and Sport

Ministry of Health

Ministry of Tourism

Ministry of Culture

Ministry of Foreign and European Affairs

Ministry of Entrepreneurship and Crafts

Ministry of Justice

Ministry of Economy

Ministry of Defense

Ministry of Finance

State Institute for Nature Protection

DHZ – Meteorological and Hydrological Service

DUZS – National Protection and Rescue Directorate

Government Office for Human Rights and Rights of National Minorities

Croatian Demining Centre

Government Office for Mine Action

State Geodetic Administration

Croatian Firefighting Association

HBOR - Croatian Bank for Reconstruction and Development

FZOEU - Environmental Protection and Energy Efficiency Fund

Croatian Environment Agency

Croatian Competition Agency

Government Office for Cooperation with NGOs

HP – Croatian Post

LIRA – Senj Lika County Development Agency

BICRO - Business Innovation Croatian Agency

Development Agency of Sisak Moslavina County

ZACORDA - Zagreb County Regional Development Agency

Zelena akcija (NGO)

HGSS - Croatian Mountain Rescue Service

Šibenik – Knin County

Bjelovar – Bilogora County

HV – Croatian Army

HGK – Croatian Chamber of Economy

HOK – Croatian Chamber of Trades and Crafts

Thematic Working Group IV

Thematic Objective

7. Promoting sustainable transport and removing bottlenecks in key network infrastructures

Lead institution: Ministry of Maritime Affairs, Transport and Infrastructure

Member Institutions

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Regional Development and EU Funds

Ministry of Finance

Ministry of Economy

Ministry of Culture

Ministry of Environment and Nature Protection

Ministry of Construction and Physical Planning

Ministry of Tourism

Ministry of Foreign and European Affairs

Zelena akcija (NGO)

Energy Institute Hrvoje Požar

HBOR – Croatian Bank for Reconstruction and Development

HŽ Infrastructure LLC

HAC – Hrvatske autoceste LLC

Hrvatske ceste LLC

REGIONS

Thematic Working Group V

Thematic Objective

8. Promoting sustainable and quality employment and supporting labour mobility 9. Promoting social inclusion, combating poverty and any discrimination 10. Investing in education, training and vocational training for skills and lifelong learning; Lead institution: Ministry of Labour and Pension System

Member Institutions

Ministry of Labour and Pension System

Ministry of Regional Development and EU Funds

Ministry of War Veterans

Ministry of Economy

Ministry of Construction and Physical Planning

Ministry of Culture

Ministry of Defense

Ministry of Entrepreneurship and Crafts

Ministry of Culture

Ministry of Social Politic and Youth

Ministry of Tourism

Ministry of Foreign and European Affairs

Ministry of Environment and Nature Protection

Ministry of Health

Ministry of Science, Education and Sport

Ministry of Finance

Ministry of Public Administration

HZZ – Croatian Employment Institute

HZMO – Croatian Pension Insurance Institute

Government Office for Human Rights and Rights of National Minorities

Government Office for Gender Equality

Government Office for Mine Action

Government Office for Cooperation with NGOs

HGK - Croatian Chamber of Economy

HBOR - Croatian Bank for Reconstruction and Development

Union representatives

HUP – Croatian Employer's Association

HOK - Croatian Chamber of Trades and Crafts

Croatian Firefighting Association

City of Zagreb

REGOS –Central Register of Insured Persons

DUZS - National Protection and Rescue Directorate

Adriatic Croatia

Eastern part of the continental Croatia

Western part of the continental Croatia

Thematic Working Group VI

Thematic Objective

11. Enhancing institutional capacity and an efficient public administration

Lead institution: Ministry of Public Administration

Member Institutions

GONG - civil society organization

Ministry of Social Politic and Youth

Ministry of Regional Development and EU Funds

Ministry of War Veterans

DUSZ - National Protection and Rescue Directorate

State Geodetic Administration

Government Office for Cooperation with NGOs

Ministry of Public Administration

Ministry of Tourism

Ministry of Environment and Nature Protection

Ministry of Justice

Ministry of Foreign and European Affairs

Ministry of Culture

Ministry of Finance

Ministry of Science, Education and Sport

Ministry of Entrepreneurship and Crafts

Ministry of Health

DŠJU – National School for Public Administration

Judicial Academy

Croatian Firefighting Association

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Economy

Unions

HUP - Croatian Employer's Association

Ministry of Construction and Physical Planning

Ministry of Labour and Pension System

Government Office for Human Rights and Rights of National Minorities

HGK - Croatian Chamber of Economy

DZS – Croatian Bureau of Statistics

Agency for Agricultural Land

REDEA –Regional Development Agency Međimurje

Association of Cities

SI-MO-RA (Sisak Moslavina County Regional Development Agency)

Customs Administration

Agency for Electronic Media

RERA SD (Public Institution for Coordination and Development of Split Dalmatian County)

Croatian Chamber of Trades and Crafts

Documents

| Document title | Document type | Document date | Local reference | Commission reference | Files | Sent date | Sent By |
|--|---|---------------|-----------------|----------------------|--|-----------|---------|
| 4_5 EUS Adriatic and Ionian Region Corelation Table for SFC | Programme annexes | 21-Jul-2014 | | | 4_5 EUS Adriatic and Ionian Region Corelation Table for SFC | | |
| Action Plan for fulfilment of ex ante conditionality – Croatia-TO7 | Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities | 14-Jul-2014 | | | Action Plan for fulfilment of ex ante conditionality – Croatia-TO7 | | |
| Section 7 Auhtorities and Bodies responsible for management, control and audit | Programme annexes | 18-Jul-2014 | | | Section 7_1 Relevant authorities and bodies | | |
| 4_5 EUS Danube Region Corelation Table for SFC | Programme annexes | 21-Jul-2014 | | | 4_5 EUS Danube Region Corelation Table for SFC | | |
| General_EAC_Public Procurement_additional_infor mation_July_2014 | Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities | 03-Jul-2014 | | | General_EAC_Public Procurement_additional_information_July_2014 | | |
| General_EAC_State_Aid_add itional_information_July_2014 | Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities | 03-Jul-2014 | | | General_EAC_State_Aid_additional_information_July_2014 | | |
| OPKK_EAC_MASTER_Final 21.7.2014..pdf | Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities | 21-Jul-2014 | | | OPKK_EAC_MASTER_Final 21.7.2014..pdf | | |

| Document title | Document type | Document date | Local reference | Commission reference | Files | Sent date | Sent By |
|---|----------------------------------|---------------|-----------------|----------------------|---|-----------|---------|
| HR_DRAFT_EX-ANTE_REPORT_OPCC_2014_2020_21_07_2014 | Report of the ex-ante evaluation | 21-Jul-2014 | | | HR_DRAFT_EX-ANTE_REPORT_OPCC_2014_2020_21_07_2014 | | |