

IPA II cross-border cooperation programme Croatia-Serbia 2014-2020

following the

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

N.B: THIS IS THE 3nd DRAFT OF THE COOPERATION PROGRAMME (CP)

IPA Cross-border Cooperation Programme Croatia-Serbia 2014-2020

under the IPA instrument

CCI	
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NUTS level III regions (or equivalent regions in the non-MS) covered by the cross-border cooperation programme	<p>Croatia: Osječko-baranjska, Vukovarsko-srijemska, Brodsko-posavska and Požeško-slavonska county.</p> <p>Serbia: North Bačka, West Bačka, South Bačka, Srem and Mačva district.</p> <p>Relevant annex of a map of the programme area to be inserted.</p>

1. STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND THE RELEVANT PARTNERSHIP AGREEMENT AND COUNTRY STRATEGIC PAPER(S)

[Reference: Article 31, Commission Implementing Regulation (EU) N 447/2014 of 2 May 2014 on the specific rules for implementing Regulation EU) 231/2014 of 11.03.2014 of the European Parliament and of the Council establishing an Instrument for Pre-Accession assistance (IPA II)]

1.1. Strategy for the cooperation programme's contribution to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s)

1.1.1. Description of the cooperation programme's strategy for contributing to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s)

The overall objective of the IPA Cooperation Programme Croatia-Serbia 2014-2020 is to strengthen the social, economic and territorial development of the cross-border area through implementation of joint projects and activities defined in four thematic priorities :

1. Employment, social inclusion, health and social services
2. Environment, risk prevention and energy production
3. Tourism and cultural and natural heritage
4. Competitiveness and SME development

The thematic priorities have been selected by the Task Force members on the basis of the conclusions of the situation analysis (see Annex 6) and in the line with a Partnership Agreement for the European structural and investment fund in the EU financial period 2014-2020 proposed to European Commission from the Republic of Croatia and Country Strategy Paper of Republic of Serbia.

Description of programme area

The programme area covers NUTS III regions in the cross border territory of Croatian – Serbian border. On the Croatian side, programme area includes 4 Counties on the north-east of Croatia (NUTS III regions): Osječko-baranjska, Vukovarsko-srijemska, Brodsko-posavska and Požeško-slavonska, whereas on the Serbian side, programme area covers 5 districts on north-west of Serbia (NUTS III regions): North Bačka, West Bačka, South Bačka, Srem and Mačva district.

The programme area covers 18,312 of km² and has a population of approximately 2.3 million persons. Out of Croatian part of programme area, Osječko-baranjska has the biggest size and the biggest population. Out of Serbian programme area, Bačka district has the biggest size and is also the most populated. The programme area is mainly rural with a number of small and medium towns. The two largest urban centres are Osijek in Croatia and Novi Sad in Serbia.

The length of Croatian – Serbian border is 317.6 km with 8 border crossings for international traffic. The state border predominantly follows river Danube with 259.3 km, thus making natural border between the two countries. The whole programme area is part of Pannonian Plain with lowland areas extending over 18,312 km² thus representing 11.7% of Croatian territory and 13.2% of Serbian

territory. On the north, programme area borders with Hungary, while on the south, programme area borders with Bosnia and Herzegovina.

The number of population in the programme area exceeds 2.3 million heads, 31% of that lives in Croatia and 69% in Serbia. The population density is 84.9 capita/km² amounting to 73% of EU while at the same time being above national average of both countries. It is important to note that most of Croatian programme territory is relatively close to national average with only Požeško-slavonska county being significantly below the average (43 capita/km²). On the Serbian part, South Bačka District has a population density above both national and EU average with 152 capita/km².

There is an overall trend in population decrease within the last 10 years. Even the urban centres register decrease in population, especially on Croatian side. This is the result of migration due to poor economic situation, lack of employment opportunities and slow post-war recovery on north - east of Croatia.

A positive trend is registered only in South Bačka District with 3.7% increase in population in the last 10 years. On the "favourable" natural growth influenced largely migration to Novi Sad, which have according to the last census a positive population growth.

One of the favourable conditions of the programme area is large variety of different ethnicities on both sides of border living in cohabitation and enriching public cultural and lingual life of the cross-border territory.

The settlement structure in general is characterised by a large number of small sized towns with limited economic capacity and services and a general absence of medium sized cities with significant urban functions and services. There are only five cities with more than 40,000 inhabitants.

1.1.1.2 Situation Analysis of the programme area

A detailed territorial analysis of the programme area was carried out in 2013 and 2014, showing that the programme area is homogenous in geographical terms (as well as in economic and social terms). The area owns a large number of assets, but also faces numerous challenges which are classified and analysed according to eight thematic areas:

These thematic areas are:

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

- Research, technological development, innovation and ICT.

Employment, social inclusion and health and social services

Situation with unemployment within the 4 Croatian counties in 2012 was alarmingly high with rate of 32.2% - compared to national 20.1% and EU27 10.5%. Most of the unemployed fall within category 1-2 years without employment that makes them long-term unemployed. There is a trend that % of unemployed women grows with length of being unemployed. In 2012, biggest unemployed group were young persons in category 20 – 24 with 16.43% and 25 – 29 with 14.2%.

Serbia also faced growth in unemployment since 2009. Unemployment rate in 2012 in the Serbian side of programme area was 31.6% (compared to national 22.3%) which is on the same level as on Croatian side of the border area. Another joint problem is high percentage of young persons being unemployed – like in 4 Croatian counties, in 5 Serbian districts most vulnerable group is age group 25 – 29 with 13% of unemployed.

Most of employees are in the sector of agriculture and manufacturing, SME's (including large number of self-employed without other employees) and public services. The problems of long-term unemployment and youth unemployment are identified in both countries. The most likely reasons for long-term unemployment are inadequate education background and skills for the labour market needs, lack of working experience and lack of motivation after long-term absence from the labour market, as well as lack of professional mobility and motivation to participate in training and life-long learning programmes. The long-term unemployed persons are often regarded as a work force without skills required for the fast-changing labour market demand. Long-term unemployment is higher among less educated and older unemployed persons.

The conclusion is that the young person's entering labour market are extremely vulnerable due to the lack of employment opportunities, lack of industry and real sector that would employ large number of persons, misbalance between supply and demand in existing and needed knowledge and skills, lack of entrepreneurial spirit and skills for self-employment, restructuring of agriculture and food production and loss of jobs related to that. In terms of education level, most represented unemployed group are persons with primary education.

Within the programme area, the main problems of both the Croatian and Serbian health system are insufficient number of health care workers and need for modernization and restructuring to achieve optimal use of both health care workers as well as material resources such as beds and medical equipment. The healthcare system in general is characterized by inefficient and ineffective network of healthcare institutions, inappropriate distribution and mobilisation of capacities at different levels of care, underperforming system management including insufficient focus on quality standards, fragmentation, low level of ICT solutions in use, resulting in reduced financial sustainability of the system, inadequate communication and information connectivity between its different parts and finally in reduced access to services for the patients and unsatisfactory quality of health care provided.

Furthermore, vulnerable groups are particularly affected by the limitations in access to hospital care, brought about by the inefficient or undeveloped hospital services.

Social care systems in both countries are going through process of decentralization with more responsibility for local and regional governments. About 5% of the population in the programme area is receiving social care.

The number of beneficiaries of permanent social care in programme area illustrates difficult social picture of poverty and unemployment that is drastically higher than in the rest of the country. High unemployment and low labour market participation, coupled with raising costs of living, have increased the share of population living at risk of poverty or social exclusion.

There is also a need for more available local services such as legal counselling for vulnerable groups, improved services for disabled persons and children with disabilities due to the fact that delivery mechanism of the mentioned services provided to users in vulnerable positions is not well adapted.

Homeless represent one of the most vulnerable groups faced with extreme poverty and social exclusion.

As elderly people make one quarter of all population in Croatian programme area and one fifth of population in Serbian programme area there is a potential for strengthening care for elderly by enhancing elderly homes and palliative care. Infrastructure investments in homes for elderly people are needed to ensure quality standards of institutional care.

Environment, risk prevention and energy production

With the exception of certain areas, the programme area shows no serious environmental problems. This is largely due to the absence of heavy industry within the Croatian part, whereas on the Serbian side certain industries (chemical, petrochemical, machinery manufacture, metallurgical, food and oil industries) cause increased pollution levels in certain parts.

Signs of climate changes can be seen in both countries as:

- a) average air temperature raised steadily with the last decade,
- b) steadily trend of reduction in annual precipitation level,
- c) trend of evaporation compared to the air temperature trend
- c) increased occurrence rate of extreme weather events that can be attribute to the climate change.

A key feature of the environment in the programme area is that for a large part of its length the border is constituted by the river Danube. The river is a defining and common feature and any environmental issues linked to the Danube clearly require joint action. In this respect one major common environmental challenge for both sides of the border is the damage caused by serious flooding of the river. In addition there is considerable scope for joint actions to prevent cross-border pollution given that pollutants generated in and beyond the programme region are carried by waterways that ultimately flow into the Danube.

The border region is rich in protected areas and biodiversity which need to be further protected and valorised. Fruška Gora (25.525 ha) is the only national park in the programme area. Obedska bara is one of the most famous nature reserves in Serbia, also in Europe. It is a large swamp-forest area and natural reserve stretching along the Sava River in Southern Syrmia Special nature reserves in the Serbian part of the programming area are: Zasavica, Selvenjske pustare, Ludaš lake, Gornje podunavlje, Koviljsko-petrovaradinski rit, Karadjordjevo and Bagremara. The most important protected area on the Croatian side of the border is the Nature park Kopački rit. It is seen as one of the best preserved fluvial marsh territories in Europe which is characterised by the stunning beauty of its landscape and its bio diversity. The other nature park on the Croatan side is geopark Papuk, it is mountain with a rich forests, swamps and meadows partially situated within the programme area in Požeško-slavonska county.

Environment pollution, spatial urbanization, global climate changes and pressures from the economic activities and unsustainable usage of natural resources are a potential threat to biodiversity protection.

The border region is rich in water resources and requires better cross-border cooperation in exchanging information on monitoring water quality and emission reduction activities in the water.

The programme area is a high risk area, mainly due to snowmelt and rainfall. In the period 1965-2011, over 70 major floods occurred in Croatia and Serbia, mainly along the Danube and Sava rivers due to capacity overflows, affecting areas larger than 100 km² and at least 200 households or 500 inhabitants each time. As an EU country, Croatia adopted the Floods Directive (2007/60/EC), integrated with overall water management and pollution prevention and Serbia as an EU candidate country is expected to adopt the same Directive.

The share of renewable sources in total energy consumption is in the programme area only circa 11% so there programme area has a potential for increasing production of renewable energy – especially from agricultural waste (biomass) and thermal waters.

Sustainable transport and public infrastructures

Appropriate infrastructure and developed transport systems are of particular importance for the economic development of the counties and districts participating in the Cross-border Programme.

In order to use the advantages of their geographical location, it is important for these regions to develop the transport sector not only in accordance with their needs, but also with international needs and to integrate the transport networks into the trans-European transport network (ten-t).

Within the programme area the most important cross-border traffic routes include roads, railways and waterways. Road infrastructures are in poor state and insufficiently equipped to allow for optimal transport services and traffic safety

Central and Eastern Croatia (Pannonia) has the least developed road infrastructure. The density of the road network is only 88% of the national average. The density of the road network in Serbian programming area is 93% of the national average and especially concentrated in the districts of Mačva (193%), with a relatively low density and West Bačka (51%).

Present railway facilities are generally characterized by poor quality infrastructure and lack of electrification results in low speeds, inefficient timetables and limited opportunities for cross-border travel.

With the significant investment in the renewal of railway infrastructure currently under way or being planned, the railway traffic is bound to increase further in the future and the area has the potential of becoming an important railway and logistics hub. Crucial to this ambition is the development of intermodal forms of transportation, in particular with the Danube river (Pan-European corridor VII) for the transport of goods.

Rivers in the programming area have been relatively underused as transport corridors. There is a potential for inland waterways to be used in combination with railway transport as an alternative to the currently dominant road transport network, as well as in other types of multimodal transport. Port infrastructure need to be renovated and transformed into multimodal logistics centres and embarkation points for passengers, capable of servicing vessels.

Two major airports are situated in the Programme Area: Osijek Airport and Novi Sad Airport. Airport of Novi Sad is mainly used for sport and agricultural

purposes. However, plans are underway to develop the airport for commercial flights operated by low-cost airlines, as well as "mini-business" flights and freight traffic. Osijek Airport is situated in Klis, 13 km from Osijek. It has been renovated in 2003 and consists of a passenger and a cargo terminal with open and closed storage areas. Both airports are extremely important for transport development and, with the expected arrival of low cost airline companies, for tourism development in the programme area and beyond.

In the programme area there is a vast institutional capacity for water supply and sewage system. In general, bigger urban centres have higher rates of connectedness to both the water supply and waste water treatment than smaller towns and villages. Croatia has negotiated a transition period for the full implementation of the Water Utility Directives until 2023, when the water supply and waste-water management system will have to be fully aligned with the EU standards. The most important tasks in water sector are achievement of drinking water quality compliance, provision of wastewater collection and appropriate treatment to all agglomerations over 2000 P.E. and PUC reform.

Solid waste management is a problem in both sides of the border because of lack infrastructure for treatment, disposal and storage of hazardous waste. Development of the waste management systems should contribute to a higher share of recycling and energy production in the future.

Tourism and cultural and natural heritage

The programme area has favourable climate, cultural and natural potential for further development of touristic offer, ecological and cultural tourism, rural tourism, health and recreational tourism, wine tourism, nautical tourism, gastronomic tourism, event tourism, excursions, hunting and fishing and recently also cruising, transit and business tourism.

Within the last 10 years the role of continental tourism has become more important for local economies in Croatian part of the programme area. Croatian strategy for development of tourism 2020 recognises potential for diversification of touristic offer in continental Croatia in the following areas: cultural tourism, rural tourism, cycle-tourism and gastro-tourism.

According to the Serbian Tourism Development Strategy Serbia's tourism potential is unrealised and its offer under-developed for historic reasons, with the industry having been starved of investment. Strategy recognises potential for diversification of touristic offer in following areas: nature and environmental tourism, rural tourism, cultural tourism, business tourism, gastro tourism and river cruising with using of the Danube as a mainstay of the branding of Serbia internationally. An important part of the tourist offer of Serbian eligible territory is sports – especially horseback riding, bicycle, sailing, rowing and golf.

The main problems of tourist sector in both sides of the border are: poor tourism infrastructure, lack of high-standard accommodation facilities, low level of marketing of cultural heritage, lack of information exchange within the tourism industry and co-operative marketing, undiversified tourist offer, lack of local entrepreneurship initiative due to heavy bureaucracy, incoherence between public and private sector, lack of integrated destination management system, lack of trained personnel and 'continuing education' training programs, low level of organized tourist offer in the form of products and itineraries visible on the market.

The programme area has the potential of developing into a competitive continental tourist destination by placing additional emphasis on destination management, visitor oriented services aligned with market trends and sensitive

to consumer needs.

The rich and unique cultural heritage reflects the programme area's long and eventful history but also the ethnic diversity of its inhabitants. The presence of ethnic territory provides a rich cultural variety. This is partly due to the fact that the programme area has an above average percentage of members of minorities, which have established institutional background, cultural and educational institutions, created organizations, bilingual and minority education, and in general, favourable conditions for cultural exchange.

The Croatia-Serbia CBC Programme 2007 – 2013 gave a boost to cultural cooperation among towns and municipalities, institutions and NGOs from both sides of the border.

The region is also rich in architectural and industrial heritage, some of which is protected under national legislation. However, the lack of resources for preserving this heritage for future generation remains a source of concern. On the other hand, this heritage also represents an important asset for the region through the development of tourism and cultural and recreational activities.

A series of cultural festivals are held annually which attract people from both sides of the border. The programme area also boasts a number of museums and art galleries, which showcase local artists and promote artistic and cultural expression in all of its forms.

Youth and education

The educational systems in both countries are underperforming and in need of reforms that would bring them closer to the needs of labour markets in the respective countries. Educational system, especially in vocational education and training should keep up with the labour market demands and priorities in each sector, especially the ones which are of primary importance for further development of economy.

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

In general, the population in the programme area has relatively high rates of secondary education, low rates of higher education and the workforce has relatively low skill levels. Therefore, there is a significant mismatch between the education programmes and the requirements of the labour market and very low levels of provision of adult education and training.

Osijek-Baranja county has a higher than average rate of university education than the Croatian area as a whole, which can be attributed to the economic and cultural importance of the City of Osijek, as well as to the fact that Osijek has the only University in the area. Osijek also has an Institute for Agriculture (dating from 1878), which is a nationally significant research institution. University of Novi Sad is University centre within the Serbian part of programme and the only public university in Vojvodina and consists of 200 study programs. Quality, level and accessibility of education in Serbia are still lagging behind EU standards, with just 19% of the economically active population having completed college or university against 30% in the EU.

Entrepreneurship is interconnected to the labour market status. Supporting

mechanisms are important in the early stages of business launch but also business counselling for the newly founder entrepreneurs.

Croatia has been facing a severe problem of birth-rate decline and demographic aging of the population and the overall population of Croatia is continuously decreasing which is also related to labour market problems. Serbia is facing the same challenge, where particularly worrying is as well the situation of young people in the labour market. Unemployment rate of youth in 2012 was much above EU-27 average. Additionally, the problems of youth unemployment are connected with the lack of initial work experience, lack of skills for the labour market needs and lack of professional mobility and the unwillingness to participate in training and retraining programmes.

Local and regional governance, planning and administrative capacity building

Croatia and Serbia have different local self-government systems but the general issues and challenges related to service delivery and planning and administrative capacity building are similar.

The current local self-government system in Croatia was fully established in 1993 according to which local self-government units are (rural) municipalities and cities/towns, and regional self-government units are counties.

In Serbia, municipalities are the basic units of local self-government. Most of the activities that come under the authority of municipalities relate to the design and implementation of development programmes, urban planning, issues regarding housing, utilities, property and land acquisition.

Strengthening the rule of law and good governance are central not just to the achievement of the EU reform agenda, they are also essential for the achievement of sustainable socio-economic development.

Local and regional governance should perform their tasks as a professional, accountable, flexible and transparent civil service at local/regional level, user-oriented through its quality services and founded upon professional values. Civil servants at local/regional level are expected to perform their tasks founded upon the following values: professionalism, accountability, ethics, impartiality and efficiency. The delivery of services must be in full compliance with the needs of the users.

Lack of a professional human resource management system for civil servants in local and regional governments is an ongoing challenge in both countries. Some of the main areas identified for improvement within the human resources management system are: recruitment process, competency system for given jobs, methodology for validation of competence of civil servants, the system of assessment and monitoring of civil servants based on monitoring the efficiency of their work and connection of that evaluation to the system of career development and progress. Emphasis must be put on the need for more objective selection of the most competent candidates for promotion to management positions, opening wider range of options for different ways of career development with the aim to decrease turnover within and outside the civil service. In order to retain highly competent and motivated employees, it is necessary to develop and implement the reform of the system of rewards and promotion, which should be more functional and more applicable to the needs of modern public administration.

Furthermore, special attention should be paid to introducing adequate IT systems in administrative processes as well as to further capacity building in order to strengthen the efficiency of the local and regional government.

The fight against corruption represents an integral part of the process aimed at making the civil service democratised and modernised and at protecting citizens in exercising their rights while using public services. To strengthen integrity, accountability and transparency in the work of civil servants at local/regional levels, training programmes should be delivered, including those to make civil servants familiar with basic attitude of ethics, integrity and morals, the notion of corruption and the meaning of its suppression, the rights of persons who report their suspicion of corruption, the prevention of conflicts of interest in the performance of public duties.

Competitiveness, business and SME development

Economic performance in the programme area is only at 20.5% of the EU 27 GDP per capita in 2010. Serbian part of the area is slightly above the national average concerning GDP per capita, while Croatian side of the programme area is much below national average at 61%. Research and development (R&D) as well as investments are concentrated in two cities Osijek and Novi Sad. As a consequence, rural and peripheral areas show a lower competitiveness.

The most important economic areas in the programme area are the following: metal industry, food production and processing industry, wood industry and agriculture.

Agriculture is a significant source of employment, for instance accounting for 10.4% of employment in Vukovarsko-srijemska county compared to the Croatian national average of 2.1%. Key challenge for the agricultural producers is to achieve the needed competitiveness and survive on the global market. This cannot be done without the support of the regional scientific, educational and technical institution and the introduction of the new technologies in the field of agriculture as well as cooperation between the producers themselves, better production organization, quality and quantity-wise and improved storage facilities and distribution. The agricultural sector on both sides of the border suffers from a number of common structural difficulties, for instance the small size of agricultural holdings, unresolved ownership and the amount of land that is not farmed.

The development of SMEs in whole programme area contributes to the increase in the gross domestic product, creation of new jobs and reduction of the unemployment rate, substitution of imports and higher export competitiveness of the domestic economy. The SME sector presents an opportunity for strengthening of local and regional economies.

It is important to stress a steady growth of SME's over the last ten years. In 2011, there are 6.696 SME's registered in the Croatian part of the programme territory that makes only 8% of all SME's in Croatia. The number of enterprises per km is at 39% of the national average with the least employment in SMEs and the lowest generation of value added. That is the result of significant number of small companies, limited financial and managerial capacities of entrepreneurs, lack of innovation and export capacity. In 2011, there were 18.426 registered SME's in the Serbian part of programme area that makes 20% of all SME's in Serbia. Four Croatian counties have a high percentage of small companies, and five Serbian districts have more represented medium companies. Even though there is a higher number of SMEs in Serbian part of programme area, annual turnover achieved by Croatian SMEs is significantly higher.

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

area should be supported to strengthen their ability to compete in domestic and international markets. By expanding their product ranges and quality, SMEs have better chance to increase turnover and create more jobs.

In Croatia, a set of Competitiveness Clusters is being established for the key industrial sectors, based on the — triple helix principle. These have a potential to be drivers of not only nationally, but also regionally and locally based development of R&D. Croatian programme area is the seat of more than 12 business clusters.

The IT and creative industry shows growing trend in the programme area (for example, Osijek Software City initiative).

Research, technological development, innovation and ICT

Both countries have a relatively low level of R&D spending (less than 1%) in contrast to the European average of 2.01%, mainly deriving from public sources.

The number of patent applications at European Patent Office per million inhabitants is also below the European average – 5.7 in Croatia and 23.3 in Serbia, compared to the EU average of 108.6. It can be concluded that R&D potential is concentrated around a few university centres and around a few bigger companies with potential for R&D spending.

Within the Croatian programme area, the strongest university Centre with a research potential is Josip Juraj Strossmayer University in Osijek with 11 faculties, four departments and one academia. Osijek has an Institute for Agriculture, which is a nationally significant research institution.

On the Serbian side of the border the strongest university Centre with a research potential is University of Novi Sad with 14 faculties. University also has two scientific institutes and Association of centres for Interdisciplinary and Multidisciplinary Studies and Research (ACIMSI) comprising of ten different centres. Institute of Food Technology (FINS) is one of the leading research institutes in the field of food and feed science and technology and dissemination of knowledge in Serbia and South Eastern Europe.

Both countries lack specialization strategies for development of smart industries. Most of the county/district development strategies of the programme area recognise insufficient orientation of the regional businesses towards R&D as their developmental weakness and plan measures that should lead to the improvement of such situation.

Universities in Serbia are making a substantial contribution, particularly on a regional level by linking industry and academic institutions and enabling knowledge transfer among them.

In general, actions to encourage effective cooperation between research institutions and the SME sector in the programme area should be supported in order to improve the competitiveness of enterprises. Results of this cooperation will enable the R&D and academic community, interested in cooperation with private sector, to strengthen their capacities to apply their research in enterprises and offer required services to SMEs. It will seek to improve public sector understanding of the needs of the business sector for new technological solutions, as well as to create opportunities to increase the level of applied research within public R&D institutions. The cooperation will further promote development of innovation infrastructure, as well as diversification and upgrade of the services provided through the existing ones. Implementation of those solutions and use of the facilities will enable SMEs in the sector to develop

competitive products and cut their production costs.

1.1.1.3 Strengths, weaknesses, opportunities and threats of Croatia-Serbia programme area

The following SWOT analysis presents internal strengths and weaknesses as well as opportunities and threats of the Croatia-Serbia cross border programme area. It combines situational analysis of the programme area with an analysis of strategic documents on national and sectorial level (e.g. programming documents and policy papers). Furthermore, programme SWOT analysis is the result of extensive consultations process conducted at Task Force meetings as well as provided valuable feedback and inputs received from the stakeholders during the first round of consultative workshops with stakeholders held in April 2014.

Strengths

- Industrial and artisans tradition.
- Good network of health institutions on regional level.
- Two strong university centres in the programme area – Osijek and Novi Sad.
- Water and natural richness in the programme area.
- Protected area preserved and well monitored on both sides of the border.
- River Danube and river Drava present a great potential for inland water transport and connection with western and central Europe.
- The programme area is at the junction of the main rail and road traffic routes connecting Western and Central Europe with South-East Europe.
- Wide range of buildings and sites of historical, archaeological and artistic importance.
- Rich cultural heritage and unique natural resources.
- Diversity of natural landscapes; recognized for traditional hospitality of local population; authenticity of a multicultural rural society; proximity to large generating markets; increasing number of events; increasing diversity of accommodation.
- Richness of ethnicities on both sides of the border.
- Important wine growing regions; positive attitude of local communities toward tourism; established tourism board system.
- Existing platform for the use of life-long learning programmes.
- Existing successful cooperation established through IPA CBC programme 2007 – 2013.
- Best practice models available in the programme area.
- Existing business support institutions.
- Croatian part of the programme area has a high percentage of small companies while in Serbian part medium companies are mostly represented.
- Increasing percentage of SMEs operating the field of IT and creative industries.
- High number of cluster initiatives and clusters operating in the programme area.
- R&D infrastructure (university centres, centres for technological development, business incubators, and business zones) exists in the programme area.

- Tradition and knowledge in agriculture and food production.
- Network of open and polytechnic institutes in the programme area.
- Explosion of IT companies.

Weaknesses

- Unemployment rate alarmingly high on both sides of the border.
- The educational programmes are not matching the labour market needs.
- The programme area has a high number of elderly persons.
- Inadequate health and social care system.
- Insufficient number of health care workers.
- Aging population and trend of depopulation.
- Programme area is still not fully aligned with European standards in waste water and waste treatment.
- Existing environmental hot-spots.
- Existing mine-suspected areas in the programme area.
- Inadequate floods management system
- Eutrophication and heavy metals accumulation in aquatic ecosystems
- Lack of communication between relevant authorities on monitoring water quality and emission reduction activities in the water.
- Railway infrastructure needs restructuring and modernization
- Water and railway transport systems are underused.
- Inland waterways are insufficiently interconnected.
- Lack of joint touristic offer / capacity / quality.
- Lack of know-how and experience in tourism sector.
- Insufficient cooperation between stakeholders in tourism sector.
- Lack of destination management.
- Insufficiency of market ready attractions.
- Lack of financing for tourism.
- Insufficient number of incoming tourist agencies in the programme area.
- Lack of entrepreneurial spirit and skills for tourism.
- Lack of sufficient application of advanced technologies in primary and secondary schools.
- High youth unemployment (20 – 29) in the programme area.
- People with primary education are the most represented group of unemployed people.
- Lack of opportunities for the employment.
- Lack of strategic long-term planning for the development of the regions and towns/cities.
- The delivery of public services is not in full compliance with the needs of the users in the programme area due to lack of efficiency in local and regional governance.
- Lack of dissemination of good practice examples in inter-municipality and inter-county/districts relations.
- Business support institutions do not respond to needs of entrepreneurs.
- Programme area is significantly lagging behind EU in terms of economic performance being at 20.5% of EU 27 GDP per capita.
- Lack of R&D and innovation in SME's in the programme area.
- Lack of local products branding.
- Spending of GDP on R&D is in both countries is significantly below EU average.

- Both countries are lacking specialization strategies for the development of smart industries on regional level.
- Lack of commercialization of R&D innovative products.

Opportunities

- Joint incentives for social inclusion of vulnerable groups and minorities through persons-to-persons measures.
- Joint incentives for education of vulnerable groups through providing them with training in IT, foreign languages, help in reintegration to labour market.
- Strengthened care for elderly through joint incentives in the area of palliative care, elderly homes.
- Educational system in the programme area playing strong role in matching educational programmes with market needs (up-date and up-grade of programmes), thus providing quality labour force.
- Employment possibilities in agriculture, food sector, IT and tourism.
- Joint initiatives for supporting young entrepreneurs, including self-employment.
- Joint initiatives for more local services available to citizens.
- Joint incentives for restructuring and modernization of health and social care system.
- Programme area has a potential for increasing production of renewable energy – especially from agricultural waste (biomass) and thermal waters.
- Energy efficiency awareness raising among public and relevant stakeholders in the programme area.
- Joint incentives in the areas of water management, prevention of flood and other disasters.
- Joint incentives in the area of biodiversity protection with focus on endangered species and habitats.
- Joint incentives in the area of monitoring water, soil and air quality.
- Joint incentives in managing mined-areas and hot-spots.
- Potential for building institutional capacity for water supply and sewage system.
- Potential for Danube ports and waterways to optimise inland water transport and connection with Western and Central Europe.
- Major investment into transport networks is necessary to ensure economic development.
- The major waterways crossings in the programme area offer a great potential for inland water transport and connection between central and south-eastern Europe.
- Potential for waterway development, interlinked with TEN-T.
- Intermodal transport combining air, rail, road and water networks represent a major opportunity for economic development.
- Ports have potential of becoming multimodal logistics centers with appropriate level of investment in infrastructure.
- Regional airports in Osijek and Novi Sad have potential for development – especially for low-cost airlines and cargo transportation.
- Potential for stimulation economic growth by better connectivity of urban and rural transport networks of the programme area internally and to major highways.
- Potential for improvement/broadening and diversification of the joint

touristic offer.

- Need for optimization the potential for tourism by enabling basic tourism pre-conditions (accommodation, local tourism offices, etc)
- Potential for further development of certain tourism niches: hunting, bird-watching, cultural tourism, eno-gastro tourism, medical, cycle-tourism, memorial tourism, nautical tourism, religious tourism, etc.
- The wide range of buildings and sites of historical, archaeological and artistic interest in the programme area offers plenty of opportunities for cultural exchanges and joint activities.
- Joint incentives in the area of improving cooperation between agricultural, health and cultural sectors for an integral CBC touristic offer.
- Joint incentives for improvement of cooperation between tourism sector and local food and wine producers/associations and with cultural associations/institutions.
- Potential for using key nature and culture based attractions and customs in branding the area, such as Danube.
- Joint incentives in the area of spatial beautification.
- Joint incentives investing in joint promotional and sales capacities.
- Danube as a great potential for tourism development.
- Potential for the development of tourism offer throughout the year.
- Two strong university centers – Novi Sad and Osijek can have stronger role in providing quality labor force.
- Need of training for entrepreneurship for young people.
- Potential of vocational training as an answer to the gap between labour market needs and existing offer.
- Potential of life-long learning programmes for building human resources in the tourism sector, innovation, R&D, etc.
- Potential for increasing the number of beneficiaries of the life-long learning programmes.
- Increased need for entrepreneurial skills among young persons as a potential for self-employment.
- Opportunity for unemployed youth to work in seasonal jobs, e.g. tourism.
- Joint incentives in supporting employment of youth as one of the disadvantaged groups in labour market due to lack of experience.
- Need among youth for different exchange programmes and networking.
- Increased financing through IPA CBC 2014 – 2020 will enable stronger cooperation of institutions.
- Projects of regional importance which require wider platform of cooperation are supported by the EU funding.
- Lessons learned from previous IPA CBC programme to be built in new initiatives through 2014 – 2020 programme in the field of tourism, cultural exchange, SME development, strengthening of education, etc.
- Recognized need for increase of capacities among civil servants in programme area in building competencies for delivering qualitative and effective public services.
- Recognized need for improvement within the human resources management system (recruitment process, competency system for given jobs, methodology for validation of competence of civil servants, the system of assessment and monitoring of civil servants).
- Initiatives and actions the area of anti-corruption in public service.
- Need for cooperation between local/regional authorities as public service providers and CSOs enabling compliance of delivery of services with the

needs of the users.

- Need for modernisation of public administration and more effective governance.
- SME sector presents an opportunity for strengthening of local and regional economies.
- Joint incentives for improving the quality of the business support institutions and developing new ones where they are not yet.
- Existing business support institutions have great potential to increase their impact on SME/economy development though increasing quality of their service.
- Potential in development of organic agriculture and branding traditional/typical products.
- Joint incentives in increasing the quality and quantity of products offered through the establishment and further development of sector business networks (clusters, cooperatives, joint ventures, etc.).
- Need for further support in developing agribusiness, IT and creative industries sector.
- Joint export initiatives.
- Interconnection between culture, tourism, different events, agriculture in order to develop SMEs sector.
- Production of added value products instead of primary and semi-processed products (expl. wood sector and furniture production) through the establishment and strengthening of product/service value chain.
- Application of innovative solutions resulting from an increased cooperation with R&D sector.
- Networking / clustering needed to increase the productivity of SMEs.
- Opportunity related to agriculture: valorisation of local products through initiating EU protection procedure (PDO as an example) could lead to an increase of product's added value and standardized production systems.
- Programme area has number of business support institutions and universities that could have more active role in promotion of R&D and innovation.
- Education and business infrastructure for further development of ICT sector.
- Increased cooperation between academic institutions and business sector.
- Joint incentives in implementation of innovation strategies.
- Recognized need for raising awareness and building capacities among youth on innovation.
- The potential of R&D and ICT in rural development and agriculture.
- Growing need for commercialisation in the innovative products in programming area and share of best practice.

Threats

- Misbalance between supply and demand on labour market.
- Limited employment possibilities due to recession and difficult economic situation.
- Risk of long term unemployment of young people due to lack of initial work experience.
- Lack of motivation after a long term absence from labour market.

- Lack of effective measures for the promotion of self-employment and entrepreneurship.
- Difficult economic situation in the countries results in emigration of healthcare workers from programme area.
- High unemployment and raising costs of living, increase the share of population living at risk of poverty or social exclusion. Lack of investment in solid waste water and air quality management.
- Pollution from agriculture.
- Administrative burden for introducing new plans in renewable energy sector.
- Vulnerability of the programme area due to high risk of natural disasters and lack of monitoring and managing of risk prevention systems.
- Croatia's entry to Schengen regime might have negative impact on border propulsion.
- Lack of investments into transport networks in general due to global economic crisis.
- Low service quality standards affects further development of tourism in the programme area.
- Lack of cooperation between agricultural, health and culture sectors in order to provide integral touristic offer.
- Tourism sector not in line with market trends, which lowers the competitiveness of the programme area.
- Lack of opportunities for the employment results in emigration of youth.
- Increasing brain drain from the programme area.
- Increasing disparities between labour market supply and demand due to mismatch of programmes for life-long learning and prequalification with labour market needs.
- The primary and secondary education system in constant reform process.
- Negative trend in birth in the programme area.
- Slow progress in fight against corruption.
- Low awareness among citizens/public on corruptive methods and behaviors.
- Possible changes in the accession processes for Serbia putting additional pressure for reforms and actions on local and regional level.
- Continuation of financial crisis/economic stagnation in the programme area can lead to further cuts in public sectors affecting capacities at local and regional level of governance.
- Inability to satisfy market request in terms of quality and quantity of products.
- Lack of decentralized funding for R&D.
- Lack of cooperation between scientific and private sector leads to insufficient technology transfer and lack in the access to R&D-results especially for SMEs.
- Economic crisis results in lack of investments in R&D

1.1.4 How the cooperation programme will address these needs and challenges

The overall programme strategy is formulated in direct response to the relevant Partnership Agreement (HR) and Indicative Country Strategy Paper of Serbia.

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

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

Indicative Country Strategy Paper of Serbia identifies main funding priorities in the following areas:

- Democracy and governance
- Rule of law and fundamental rights
- Environment and climate change
- Transport
- Energy
- Competitiveness and innovation
- Education, employment and social policies
- Agriculture and rural development

The strategy of the IPA CBC Croatia- Serbia 2014-2020 programme is based on the specific analysis and identified needs of the programme area, which have been discussed and agreed on through the extensive programming process including public consultation among the programme stakeholders. Moreover, the programming process took into account the lessons learned from the previous programming period, the given financial framework and the existence of suitable implementation and administration structures.

To achieve the intended targets for the priority axes, the actions supported within the priority axes have to contribute to the specific objectives of the relevant priority axis. The results of the different actions will have to be measured with the given result indicators. Effectiveness in the ratio between the costs of the operation and its contribution to reach the target values is also an important factor as well as the compliance of these actions with the relevant cross-border strategies.

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

Consequently, by exploiting potentials of the area and striving to overcome barriers of development, the IPA CBC Programme Croatia-Serbia 2014-2020 builds on the following thematic priorities which are in line with the problems and needs identified as well as with the development goals set out in relevant national strategic papers:

- Employment, Social Inclusion, Health and Social Services (TP 1)

- Environment, Risk Prevention and Energy Production (TP 2)
- Tourism and Cultural and Natural Heritage (TP 4)
- Competitiveness and SME Development (TP 7)

The selected thematic priorities have been translated into four priority axes which reflect the needs and challenges as identified in the situation analysis of the programme area.

For each thematic priority/priority axis, one or two specific objectives were identified. Five specific objectives indicate specific changes that the IPA CBC Programme Croatia-Serbia 2014-2020 anticipates to achieve.

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

Priority Axis 1 – “Promoting employment and improving social inclusion and social and health services”

Priority axis 1 aims to improve facilities, services and employment throughout the programme area by enhancing labour skills and employability as well as by improving social inclusion and services in the area of public health and social welfare.

More concretely, the priority focuses on developing and implementing of lifelong learning programmes providing programme area inhabitants with knowledge, experience and qualifications in line with labour market needs, including education on self-employment and entrepreneurship. Furthermore, the priority will address the challenges identified in the area of social inclusion, public health and social welfare sector by enhancing accessibility to and effectiveness of the related health and social services, supporting education of vulnerable groups (such as youth, unemployed, disabled, elderly, women, minorities, inactive persons, etc) and enhancing social entrepreneurship.

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

- Enhancing labour market participation and quality of the education system
- Education, employment and social policies.

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

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

Developing and implementing joint management initiatives aiming at improving environmental protection systems (from flood, draught and other disasters) and related measures and tools for reducing the risk of natural disasters; joint initiatives tackling the protection of biodiversity and endangered species and habitats as well as pilot and demonstration projects promoting innovative technologies in the area of sustainable energy production and energy efficiency shall be supported in order to tackle the challenges that the programme area is facing in the fields of environmental, nature and biodiversity protection, management systems for risk prevention and energy efficiency.

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

- Promoting energy efficiency, renewable energies and protecting natural resources.
- Environment and climate change

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

Priority axis 3 aims at further strengthening, diversification and integration of tourism potential in the programme area as well as preservation and better management of cultural and natural heritage assets.

The priority targets the strengthening of existing potentials in the areas of tourism, cultural and natural heritage through implementing joint initiatives in branding and promotion of existing and new tourism products, promoting development and complementarity of different tourism niches, supporting certification and standardisation, designing and implementing joint tourism strategies, improving destination management skills, enabling joint cultural cooperation, preservation and restoration of cultural and natural heritage sites, introducing certification on cultural and natural heritage and well as implementing also small scale infrastructure on cultural and natural heritage.

This priority axis supports the following main funding priority of relevant national strategic papers:

- Promoting energy efficiency, renewable energies and protecting natural resources.

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

Priority axis 4 addresses the main challenges and needs related to the enhancing competitiveness and development of business environment and investment in the programme area through improving competitiveness, enhancing research, development, innovation and business support actions.

More concretely, the priority focuses on cooperation between SMEs, public sector, education, research & development organisations in order to improve business innovativeness and technology, providing support to business related sectorial networks and organisations in standardisation, product protection, marketing and development of cross-border markets, improving knowledge and skills in entrepreneurship, implementing innovative and new technologies, establishing laboratories, innovation, technological and competence centres, spin offs and ICT infrastructure for common use of the enterprises. It will help to accelerate competitiveness and to develop business environment and investment in the programme area.

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

- Innovative and competitive business and research environment
- Competitiveness and innovation, local development strategies

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

Table 1: Justification for the selection of thematic priorities

Selected thematic priority	Justification for selection
<i><1.1.2 type='S' input='S' ></i>	<i>maxlength='1000' input</i>
Thematic Priority 1. Employment, social inclusion, health and social services	<p>Reasons for selecting this thematic priority are:</p> <ul style="list-style-type: none"> • Unemployment rate alarmingly high on both sides of the border. • High rate of youth unemployment in the programme area, especially of group 20-29. • The educational programmes are not matching the needs. • The programme area has a high number of elderly persons. • Inadequate health and social care system. • Insufficient number of health care workers.
Thematic Priority 2. Environment, risk prevention and energy production	<p>Reasons for selecting this thematic priority are:</p> <ul style="list-style-type: none"> • Programme area is still not fully aligned with European standards in waste-water and waste treatment. • Existing environmental hot-spots, especially on the Serbian side. • Existing mine-suspected areas in the programme area. • Inadequate floods management system. • Lack of communication between relevant authorities on monitoring water quality and emission reduction activities in the water.
Thematic Priority 4. Tourism, cultural and natural heritage	<p>Reasons for selection this thematic priority are:</p> <ul style="list-style-type: none"> • Lack of stronger national support and promotion of continental tourism in the programme area. • Lack of joint touristic offer / capacity / quality (accommodation, info offices, etc). • Lack of know-how and experience in tourism sector. • Insufficient cooperation between stakeholders in tourism sector. • Lack of destination management. • Under-utilized potential for tourism. • Insufficiency of market ready attractions. • Lack of financing for tourism. • Insufficient number of incoming tourist agencies in the programme area. • Lack of entrepreneurial spirit and skills for tourism.
Thematic Priority 7. Competitiveness and SME development	<p>Reasons for selection this thematic priority are:</p> <ul style="list-style-type: none"> • Business support institutions do not respond to needs of entrepreneurs.

	<ul style="list-style-type: none"> • Programme area is significantly lagging behind EU in terms of economic performance being at 20.5% of EU 27 GDP per capita. • Lack of R&D and innovation in SMEs in the programme area. • Lack of local products branding.
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1.2. Justification for the financial allocation

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

The overall programme budget is 30.000.000,00 EUR, as detailed in Section 3 – Financing plan. The financial allocation to the chosen thematic priorities reflects the following criteria:

- The needs and opportunities as described in the Situation Analysis and SWOT
- The estimated financial size of the actions foreseen in each priority axis
- The coherence with the funding priorities as in the EC Country Position Paper and Partnership Agreement for Croatia and Indicative Country Strategy Paper for Serbia
- The analysis of the 2007-2013 programme period and the relevant experiences
- The inputs provided by relevant partners within public consultations
- The Technical Assistance according the Commission Implementing Regulation (10%)

Furthermore, for the estimation of the number of operations under each priority axis, an average budget of an operation of about 280.000-5,50.000 EUR total cost has been assumed. However, since the financial size of an operation shall reflect the activities and outputs planned, also smaller and larger operations can be supported.

The following budget division was agreed:

- 15% for PA1
- 28% for PA2
- 25% for PA3
- 22% for PA4
- 10% for PA5

Priority Axis 1 (TP1):

The programme area has an alarmingly high unemployment level and need to improve health services and services for elderly and disabled. Furthermore, projects are expected to be rather small in size, as they have been also in the 2007-2013 period where 8% of the EU funding was spent on employability and health projects. Therefore, 15% of the EU funding (4.5 million EUR) will be reserved for Priority Axis 1. With this priority, the Programme also contributes to improving the EU2020 aims of smart and inclusive growth, trying to increase the level of employment.

Priority Axis 2 (TP2):

It is expected that the projects under Priority Axis 2 will be the largest in size, just as in 2007-2013. Furthermore, there is a clear need to improve the flood management, aligning the programme area with EU standards on waste water management and waste treatment, to improve the hotspots and the NATURA2000 sites and to improve the energy production and energy efficiency. Therefore, the largest part of programme budget is reserved for Priority Axis 2: 28% of the budget (8.4 million EUR of EU funding). With this priority, the Programme is also contributing to improving the EU2020 aims to sustainable growth, trying to increase, for example, the level of energy efficiency and share of energy from renewable sources.

Priority Axis 3 (TP4):

There is a huge potential in the programme area to improve and diversify the tourist offer, cultural and natural heritage. This will also enable the region to develop itself stronger and to create employment. Both smaller (e.g. promoting products) and larger projects (e.g. cycle paths) are expected. Therefore, the second largest share of programme budget is reserved for Priority Axis 3: 25% of the EU budget (7.5 million EUR of EU funding).

Priority Axis 4 (TP7):

Both Croatia and Serbia are having a low level of the GDP that is being spent on R&D. Furthermore, the competitiveness of businesses needs improvement. It is expected that there will be both smaller (e.g. networks) and larger (e.g. laboratories) projects. Therefore, 22% of the programme budget is reserved for Priority Axis 4 (6.6 million EUR of EU funding).

Results of ex-ante evaluation shall inserted in this section.

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

Priority axis	Union support (in EUR)	Proportion (%) of the total Union support for the cooperation programme	Thematic priorities	Result indicators corresponding to the thematic priority
PA1	4,500,000	85%	TP1	<ul style="list-style-type: none"> • Increase in employment rate in the programme area • Percentage of institutions providing improved health care and social care services
PA2	8,400,000	85%	TP2	<ul style="list-style-type: none"> • Decrease of km² affected by flooding by flooding • Increase in % of production and usage of sustainable energy.
PA3	7,500,000	85%	TP4	<ul style="list-style-type: none"> • Number of overnights in the programme area
PA4	6,600,000	85%	TP7	<ul style="list-style-type: none"> • Increase in annual turnover of SMEs in million euros in the programme area
PA5	3,000,000	85%		
Total	30,000,000			

2. PRIORITY AXES

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

2.1. Description of Priority Axes other than technical assistance

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

2.2. Priority axis 1 Promoting employment and improving social inclusion and social and health services

2.2.1.

<i>ID of the priority axis</i>	PA1
<i>Title of the priority axis</i>	PA1 Promoting employment and improving social inclusion and social and health services

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

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

<i>Fund</i>	IPA
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

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

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

<i>ID</i>	PA1
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<i>Specific objective</i>	1. To improve facilities, services and employment throughout the programme area
<i>The results that the partner States seek to achieve with Union support</i>	<p>The situation analysis showed that the programme area is facing the problem of high unemployment rate, especially of youth (age group 20-29). The opportunity to tackle this problem is envisaged to be done through enhancing entrepreneurship and self-employment, especially aiming at youth which is identified as one of vulnerable groups of the programme area.</p> <p>Furthermore, the existing educational programmes do not match the labour market needs, thus, making it necessary for the programme to support creating new initiatives aiming at providing new skills and competences and improving knowledge.</p> <p>The programme area also has high number of elderly persons and social care beneficiaries. For this reason, the programme aims to improve public health and social facilities and services making them more accessible and effective.</p> <p>Expected results: 1.1. Improved labour skills and employability throughout the programme area 1.2. Improved social inclusion and services in the area of public health and social welfare</p> <p><i>maxlength='3500'</i></p>

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

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

Not applicable

2.2.5. Actions to be supported under the thematic priority (by thematic priority)

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

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

<i>Thematic Priority</i>	PA1 Employment, Social Inclusion, Social and Health Services
The supported actions under Priority Axis 1 will contribute to improve facilities, services and employment throughout the programme area by enhancing labour skills and employability	

as well as by improving social inclusion and services in the area of public health and social welfare.

More concretely, the focus of Priority Axis 1 will be on developing and implementing the lifelong learning programmes providing programme area inhabitants with knowledge, experience and qualifications in line with labour market needs, including education on self-employment and entrepreneurship. Furthermore, the priority will address the challenges identified in the areas of social inclusion, public health and social welfare sector by enhancing accessibility to and effectiveness of the related services, supporting education of vulnerable groups (such as youth, unemployed, disabled, elderly, women, minorities, inactive persons, etc) and enhancing social entrepreneurship.

According to the specific objective within Priority Axis 1, two sets of actions will be supported:

-actions to improve labour skills and employability throughout the programme area

-actions to improve social inclusion and services in the area of public health and social welfare

Actions to improve labour skills and employability throughout the programme area:

The supported actions shall make use of cross-border cooperation in order to increase the skills and competences of the labour force in the programme area, to strengthen self-employment and entrepreneurship skills in order to tackle the challenge of unemployment in the programme area.

To achieve the specific objective of Priority Axis 1, the following examples of type of actions are foreseen:

- Developing and implementing lifelong learning programmes aiming to provide programme area inhabitants the possibility to gain knowledge / experiences / qualifications in line with the labour market needs.
- Supporting education for the development of entrepreneurship and self-employment.
- Joint vocational / adult (youth) training projects addressing skills needs & sectorial needs.
- Joint networking actions and awareness raising actions to improve the employability in the cross-border programme area.
- Cooperation actions between employment services, employers, institutions providing educational activities and business support institutions to increase employability.

Actions to improve social inclusion and services in the area of public health and social welfare

The supported actions shall make use of cross-border cooperation in order to improve social inclusion as well as facilities and services in the areas of public health and social welfare sector.

To achieve the specific objective of Priority Axis 1, the following examples of types of actions are foreseen:

- Developing and implementing joint initiatives to improve accessibility to and effectiveness of public health care and social service institutions (e.g. small infrastructure and equipment), including related pilot projects.
- Supporting education related actions aiming at increase of skills of vulnerable groups (such as youth, unemployed, disabled, elderly, women, minorities, inactive persons, etc.) in line with the market trends and needs.
- Networking of institutions in order to enhance social entrepreneurship: e.g. support to business counselling and setting-up of social enterprises.
- Developing and implementing joint community projects: e.g. legal counselling for vulnerable groups, non-discrimination and promoting equal opportunities.

- Awareness raising activities in promotion of different types of services available for vulnerable groups.
- Joint actions in support of local democracy.
- Developing and implementing joint activities on health care: e.g. joint health services delivery, active and healthy aging and disease prevention.
- Joint strengthening of health care for vulnerable groups with focus on elderly, palliative care and persons with disabilities.
- Small-scale infrastructure for disabled persons and children with disabilities.
- Implementing ICT solutions in order to improve public health and social care services.

Main target groups and types of beneficiaries

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

Beneficiaries to be understood as project partners benefitting from programme funds and implementing activities within the operation are all legal personalities that can contribute to improving facilities, services and employment throughout the programme area. They comprise amongst others: NGOs, organisations responsible for providing social and health services, public /non-profit organisations including institutes, universities, colleges, educational institutions (e.g. primary and secondary schools), public institutions for adult education/learning, local and regional government bodies, development agencies, health care institutions, public elderly homes, regional and local public authorities, employment services, chambers of commerce, chambers of trades and crafts and business support institutions.

Specific territories targeted

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

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2.2.5.2. Guiding principles for the selection of operations

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

<i>Thematic priority</i>	PA1 Employment, Social Inclusion, Social and Health Services
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The selection of operations will be carried out in accordance to Article 39 of Commission Implementing Regulation (EU) No 447/2014 following a standardised assessment procedure. The methodological framework for selection of operations includes eligibility check and quality assessment consisting of 3 sets of predefined criteria.

Relevance criteria allow for assessing the relevance of applications and the extent of their contribution to achieving a specific objective. They are directly linked to the results envisaged within a specific objective and can be summarised as follows:

- Contribution to programme objectives and results, as defined by relevant specific objective

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

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

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

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

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

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

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

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

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

Strategic criteria:

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

Relevance criteria:

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

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

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

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

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

maxlength='3500'

2.2.5.3. Planned use of financial instruments (where appropriate)

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

<i>Thematic priority</i>	PA1
<i>Planned use of financial instruments</i>	Not applicable
Not applicable	

2.2.6. Common and programme specific indicators

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

2.2.6.1. Priority axis 1 result indicators (programme specific)

Table 3: Programme specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ¹	Source of data	Frequency of reporting
PA1	Increase in employment rate in the programme area	Percentage	68,05%	2014	68,06%	Statistics	Annually
PA1	Percentage of institutions providing improved health care and social care services	Percentage	4%	2014	14%	Statistics	Annually

¹ Target values may be qualitative or quantitative.

2.2.6.2. Priority axis 1 output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID	Indicator (<i>name of indicator</i>)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
PA1	Number of persons related to labour market needs and employability and/or improving social inclusion and/or health care services and/or social care services trained	Number	450	Monitoring of operations (progress reports)	Annually
PA1	Number of cross-border networks related to employability and/or social exclusion and/or health care and/or social care supported	Number	8	Monitoring of operations (progress reports)	Annually
PA1	Number of awareness raising events on employability and/or social exclusion and/or health care and/or social care organised	Number	36	Monitoring of operations (progress reports)	Annually
PA1	Number of social enterprises in the programme area established/improved	Number	7	Monitoring of operations (progress reports)	Annually
PA1	Number of facilities for persons with special needs developed/improved	Number	10	Monitoring of operations (progress reports)	Annually
PA1	Population covered with improved health services	Number	200000	Monitoring of operations (progress reports)	Annually

2.2.7. Categories of intervention

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

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

Tables 5-8: Categories of intervention

Table 5: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA 1	080 e-Inclusion, e-Accessibility, e-Learning and e-Education services and applications, digital literacy	Total PA1 amount/13=346.153,84 EUR
PA 1	081 ICT solutions addressing the healthy active ageing challenge and e-Health services and applications (including e-Care and ambient assisted living)	346.153,84 EUR
PA 1	102 Access to employment for job-seekers and inactive persons, including the long-term unemployed and persons far from the labour market, also through local employment initiatives and support for labour mobility	346.153,84 EUR
PA 1	106 Adaptation of workers, enterprises and entrepreneurs to change	
PA 1	107 Active and healthy ageing	346.153,84 EUR
PA 1	108 Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders	346.153,84 EUR
PA 1	109 Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	346.153,84 EUR
PA 1	110 Socio-economic integration of marginalised communities such as the Roma	346.153,84 EUR
PA 1	111 Combating all forms of discrimination and promoting equal opportunities	346.153,84 EUR
PA 1	112 Enhancing access to affordable, sustainable and high-quality services,	346.153,84 EUR

	including health care and social services of general interest	
PA 1	113 Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	346.153,84 EUR
PA 1	117 Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	346.153,84 EUR
PA 1	118 Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	346.153,84 EUR

Table 6: Dimension 2 Form of finance

Priority axis	Code	Amount (EUR)
PA1	01 Non-repayable grant	4,500,000

Table 7: Dimension 3 Territory type

Priority axis	Code	Amount (EUR)
PA1	01 Large Urban areas (densely populated > 50 000 population)	1500.000,00
	02 Small Urban areas (intermediate density > 5 000 population)	1500.000,00
	03 Rural areas (thinly populated)	1500.000,00

Table 8: Dimension 6 Territorial delivery mechanisms

Priority axis	Code	Amount (EUR)
PA1	07 Not applicable	

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

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

<i>Priority axis</i>	PA1
Not applicable	

2.3. Description of Priority Axis 2 Protecting the environment, improving risk prevention and sustainable energy production

<i>ID of the priority axis</i>	PA2
<i>Title of the priority axis</i>	PA2 Protecting the environment, improving risk prevention and sustainable energy production

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

2.3.1. Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	IPA
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

2.3.2. The specific objectives of the thematic priority and expected results

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

ID	PA2
<i>Specific objective 2.1</i>	2.1. To improve management systems for risk prevention (water, soil, air, environmental and biodiversity (including ecosystems and NATURA 2000) protection. <i>maxlength='500'</i>
<i>The results that the partner States seek to achieve with Union support</i>	Expected result: 2.1 Enforced management for prevention of floods, monitoring of water, soil, air quality, mined-areas and hot-spots and biodiversity protection. <i>maxlength='3500'</i>

ID	PA2
<i>Specific objective 2.2</i>	2.2 To promote innovative technologies for sustainable energy production and energy efficiency. <i>maxlength='500'</i>
<i>The results that the partner States seek to achieve with Union support</i>	Expected result: Increased capacities for usage of innovative technologies for sustainable energy production. <i>maxlength='3500'</i>

2.3.3. Elements of other thematic priorities added to the priority axis

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

Not applicable

2.3.4. Actions to be supported under the thematic priority (by thematic priority)

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

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

<i>Thematic Priority</i>	PA2 Environment, risk prevention and energy production
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The actions supported under Priority Axis 2 aim to improve environment protection by improving management systems for risk prevention, protecting biodiversity, ecosystems, NATURA 2000 and green infrastructure as well as by promoting innovative technologies for sustainable energy production thus improving energy efficiency.

In accordance to the specific objectives under Priority Axis 2, three sets of activities will be supported:

- actions to enforce management for prevention of floods, monitoring of water, soil, air quality, mined-areas and hot-spots
- actions to increase protection of biodiversity in the border area with special attention to endangered species and habitats
- actions to increase capacities for usage of innovative technologies for sustainable energy production

Actions to enforce management for prevention of floods, monitoring of water, soil and air quality, and mined-areas and hot-spots.

Examples of actions within specific objective 2.1:

- Implementing joint actions for getting reliable information for improving quality of the groundwater and the rivers and implementing relevant water management measures.
- Creating joint monitoring and management systems for measurement of soil and air quality, environmental protection and water management.
- Joint awareness and information campaigns in relation to environment and emergency preparedness which focus on key areas of concern such as waste management, preservation of biodiversity and responses to flooding.
- Pilot and demonstration projects on innovative technologies in the field of enforcing management systems for risk prevention.

Actions to increase protection of biodiversity in the border area with special attention to key species and habitats.

Examples of actions within specific objective 2.2:

- Developing and implementing joint plans for protection of endangered species and protection and revitalisation of habitats.
- Joint valorisation and promotion of ecosystems and NATURA 2000 sites in border area
- Joint awareness rising, education and training in relation to nature protection.
- Cross-border cooperation between organisations involved in environmental protection and joint management of protected sites and nature
- Establishing and improving green infrastructure and ecosystem services

Actions to increase capacities for usage of innovative technologies for sustainable energy production.

Examples of actions within specific objective 2.3:

- Awareness rising, information campaigns, education, training and capacity building on sustainable energy production, utilisation of renewable energy resources and energy efficiency.

- Developing and implementing pilot and demonstration projects on innovative technologies in the field of sustainable energy production and energy efficiency.
- Improving waste management in order to use it as a resource in production of renewable energy.
- Investing in joint infrastructure on sustainable energy production and energy efficiency
- Joint incentives in order to improve legal framework in the area of renewable energy resources and energy efficiency (e.g. analyses, comparisons, recommendation, local/regional action plans, etc).

Main target groups and types of beneficiaries

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

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

Specific territories targeted

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

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

maxlength='14000'

2.3.4.2. Guiding principles for the selection of operations

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

<i>Thematic priority</i>	PA2 Environment, risk prevention and energy production
The selection of operations will be carried out following the guiding principles and the methodological framework as outlined in Section 2.2.5.2. referring to Priority Axis 1.	

2.3.4.3. Planned use of financial instruments (where appropriate)

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

<i>Thematic priority</i>	PA2
<i>Planned use of financial instruments</i>	Not applicable
Not applicable	

2.3.5. Common and programme specific indicators

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

2.3.5.1. Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ²	Source of data	Frequency of reporting
PA2	Decrease of km2 affected by flooding per flooding	Km2	111	2014	100	Statistics	Annually
PA2	Increase in % of production and usage of sustainable energy.	Percentage	10,8%	2011	12,5%	Statistics	Annually

² Target values may be qualitative or quantitative.

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

Table 4: Common and programme specific output indicator

ID	Indicator (<i>name of indicator</i>)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
PA2	Number of jointly developed and/or operated monitoring systems.	Number	2	Monitoring of operations (progress reports)	Annually
PA2	Number of commonly developed infrastructure actions targeting at improvement in water, air and soil quality.	Number	3	Monitoring of operations (progress reports)	Annually
PA2	Number of pilot and demonstration projects on risk prevention implemented and/or on sustainable energy and/or energy efficiency implemented.	Number	3	Monitoring of operations (progress reports)	Annually
PA2	Number of persons trained on nature protection and/or biodiversity and/or on sustainable energy and/or energy efficiency implemented.	Number	336	Monitoring of operations (progress reports)	Annually
PA2	Number of events (information campaigns, conferences, training programmes, awareness raising programmes) on environmental and nature protection, biodiversity and emergency preparedness and/or promoting sustainable energies organised and implemented.	Number	8	Monitoring of operations (progress reports)	Annually
PA2	Additional capacity of renewable energy production	MW	5	Monitoring of operations (progress reports)	Annually
PA2	Population benefiting from flood protection measures	Number	200000	Monitoring of operations (progress reports)	Annually
PA2	Surface area of habitats supported in order to attain a better conservation status	Hectars	350	Monitoring of operations (progress reports)	Annually

2.3.6. Categories of intervention for Priority Axis 2

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

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

Tables 5-8: Categories of intervention

Table 5: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA 2	009 Renewable energy: wind	8.400.000,00 EUR/15= 560.000,00
PA 2	010 Renewable energy: solar	560.000,00
PA 2	011 Renewable energy: biomass	560.000,00
PA 2	012 Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (including storage, power to gas and renewable hydrogen infrastructure)	560.000,00
PA 2	013 Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	560.000,00
PA 2	014 Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures	560.000,00
PA 2	017 Household waste management, (including minimisation, sorting, recycling measures)	560.000,00
PA 2	018 Household waste management, (including mechanical biological treatment, thermal treatment, incineration and landfill measures)	560.000,00
PA 2	021 Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	560.000,00
PA 2	022 Waste water treatment	560.000,00
PA 2	083 Air quality measures	560.000,00
PA 2	085 Protection and enhancement of biodiversity, nature protection and green infrastructure	560.000,00
PA 2	087 Adaptation to climate change measures and prevention and	560.000,00

	management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	
PA 2	086 Protection, restoration and sustainable use of Natura 2000 sites	560.000,00
PA 2	088 Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures	560.000,00

Table 6: Dimension 2 Form of finance

Priority axis	Code	Amount (EUR)
PA 2	01 Non-repayable grant	8.400.000,00 EUR

Table 7: Dimension 3 Territory type

Priority axis	Code	Amount (EUR)
PA 2	01 Large Urban areas (densely populated > 50 000 population)	2.800.000,00 EUR
	02 Small Urban areas (intermediate density > 5 000 population)	2.800.000,00 EUR
	03 Rural areas (thinly populated)	2.800.000,00 EUR

Table 8: Dimension 6 Territorial delivery mechanisms

Priority axis	Code	Amount (EUR)
PA 2	07 Not applicable	

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

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

<i>Priority axis</i>	PA2
Not applicable	

2.4. Description of Priority Axis 3 Encouraging tourism and preserving cultural and natural heritage

2.4.1. Priority Axis 3 Encouraging tourism and preserving cultural and natural heritage

<i>ID of the priority axis</i>	PA3
<i>Title of the priority axis</i>	PA3 Encouraging tourism and preserving cultural and natural heritage

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

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

<i>Fund</i>	IPA
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

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

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

<i>ID</i>	PA3
<i>Specific objective 3.1</i>	3.1 To strengthen, diversify and integrate the cross border tourism offer and better manage cultural and natural heritage assets <i>maxlength='500'</i>
<i>The results that the partner States seek to achieve with Union support</i>	Expected result: 3.1 Strengthened, diversified, better integrated cross-border tourism offer and better managed cultural and natural heritage assets. <i>maxlength='3500'</i>

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

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

Not applicable

2.4.5. Actions to be supported under the thematic priority (by thematic priority)

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

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

<i>Thematic Priority</i>	PA3 Tourism, cultural and natural heritage
<p>The actions supported under Priority Axis 3 aim to further strengthening, diversification and integration of tourism potential in the programme area as well as preservation and better management of cultural and natural heritage assets.</p> <p>In accordance to the specific objectives under Priority Axis 3, the following set of actions will be supported:</p> <ul style="list-style-type: none"> - actions to strengthen, diversify and better integrate tourism offer and to better manage cultural and natural heritage assets <p>Actions to strengthen, diversify and better integrate tourism offer and to better manage cultural and natural heritage assets</p> <p>Examples of actions within specific objective 3.1:</p> <ul style="list-style-type: none"> • Joint development, branding and promotion of tourism niches: e.g. hunting, bird and animal watching, cultural tourism, eco-tourism, sport and cycle-tourism, wine & food 	

tourism, health and wellness, rural tourism, recreation tourism, memorial tourism, nautical tourism, religious tourism, industrial heritage tourism, etc.

- Joint development and diversification of the tourism offer and capacity: e.g. standardisation of accommodation support, joint mapping the tourism offer, joint creation of destination management platforms and networks.
- Joint development, branding and promotion of new tourism products: e.g. development of thematic routes, joint promotion events and materials, site exploitation.
- Improvement of recreational and small-scale tourism infrastructure: e.g. walking paths, cycle routes, equipping visitor centre, information points, networking tourism centres, spatial "beautification".
- Preparing and developing joint tourism strategies and action plans.
- Training and other activities to develop the tourism capacity and destination management skills
- Enabling joint cultural cooperation between youth, artistic and cultural organisations: e.g. art colonies and festivals, artistic manifestations and events, joint theatre performances or joint/traveling exhibitions, etc.
- Developing and implementing joint initiatives on valuation, preservation, restoration and revitalisation of cultural and natural heritage sites
- Implementing training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) on cultural and natural heritage.
- Deploying investments in certification including training, equipment supply but also small scale infrastructure on cultural and natural heritage.

Main target groups and types of beneficiaries

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

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

Specific territories targeted

Taking into account that common potentials and challenges have been identified throughout the whole programme area, no specific territories will be targeted under the Priority Axis 3. Therefore, the supported actions can be implemented throughout the whole programme area.

maxlength='14000'

2.4.5.2. Guiding principles for the selection of operations

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

<i>Thematic priority</i>	PA3 Tourism and Cultural and Natural Heritage
The selection of operations will be carried out following the guiding principles and the methodological framework as outlined in Section 2.2.5.2. referring to Priority Axis 1.	

2.4.5.3. Planned use of financial instruments (where appropriate)

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

<i>Thematic priority</i>	PA3
<i>Planned use of financial instruments</i>	Not applicable
Not applicable	

2.4.6. Common and programme specific indicators

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

2.4.6.1. Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ³	Source of data	Frequency of reporting
PA3	Increase in number of overnights in the programme area	Number	1.037.837	2012	1.038.737	Statistics	Annually

³ Target values may be qualitative or quantitative.

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

Table 4: Common and programme specific output indicators

ID	Indicator (<i>name of indicator</i>)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
PA3	Number of promotional material prepared and disseminated	Number	50	Monitoring of operations (progress reports)	Annually
PA3	Number of joint tourism products developed and promoted	Number	11	Monitoring of operations (progress reports)	Annually
PA3	Number of tourism supporting facilities and/or tourism infrastructure developed or improved	Number	23	Monitoring of operations (progress reports)	Annually
PA3	Number of joint cultural events organised (festivals, manifestations, etc).	Number	8	Monitoring of operations (progress reports)	Annually
PA3	Number of joint tourism strategies prepared and/or implemented	Number	2	Monitoring of operations (progress reports)	Annually
PA3	Number of cross-border networks, DMOs or clusters in tourism sector established or improved.	Number	6	Monitoring of operations (progress reports)	Annually
PA3	Number of management plans for cultural and heritage sites developed and/or implemented.	Number	6	Monitoring of operations (progress reports)	Annually
PA3	Number of persons educated in quality assurance, standardisation on cultural and natural heritage and destination management.	Number	300	Monitoring of operations (progress reports)	Annually
PA3	Increase in expected number of visitors to supported sites of cultural and natural heritage	Visits/year	100	Monitoring of operations (progress reports)	Annually

2.4.7. Categories of intervention for Priority Axis 3

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

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

Tables 5-8: Categories of intervention Priority Axis 3

Table 5: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA 3	090 Cycle tracks and footpaths	1,250,000
PA 3	091 Development and promotion of the tourism potential of natural areas	1,250,000
PA 3	092 Protection, development and promotion of public tourism assets	1,250,000
PA 3	093 Development and promotion of public tourism services	1,250,000
PA 3	094 Protection, development and promotion of public cultural and heritage assets	1,250,000
PA 3	095 Development and promotion of public cultural and heritage services	1,250,000

Table 6: Dimension 2 Form of finance		
Priority axis	Code	Amount (EUR)
PA3	01 Non-repayable grant	7,500,000

Table 7: Dimension 3 Territory type		
Priority axis	Code	Amount (EUR)
PA3	01 Large Urban areas (densely populated > 50 000 population)	2,500,000,00
	02 Small Urban areas (intermediate density > 5 000 population)	2,500,000,00
	03 Rural areas (thinly populated)	2,500,000,00

Table 8: Dimension 6 Territorial delivery mechanisms

Priority axis	Code	Amount (EUR)
PA3	07 Not applicable	

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

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

<i>Priority axis</i>	PA3
Not applicable	

2.5. Description of Priority Axis 4 Enhancing competitiveness and developing business environment and investment in the programme area

2.5.1. Priority Axis 4 Enhancing competitiveness and developing business environment and investment in the programme area

<i>ID of the priority axis</i>	PA4
<i>Title of the priority axis</i>	Enhancing competitiveness and developing business environment and investment in the programme area

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

2.5.2. Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	IPA
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<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	Total eligible expenditure
<i>Justification of the calculation basis choice</i>	

2.5.3. The specific objectives of the thematic priority and expected results

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

<i>ID</i>	PA4
<i>Specific objective 4.1</i>	4.1 To improve competitiveness of the programme area through enhancing research, development, innovation and business support actions
<i>The results that the partner States seek to achieve with Union support</i>	Expected result: 4.1. Increased competitiveness of SMEs in the programme area. <i>maxlength='3500'</i>

2.5.4. Elements of other thematic priorities added to the priority axis

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

<i>ID</i>	PA4
Not applicable	

2.5.5. Actions to be supported under the thematic priority (by thematic priority)

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

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

<i>Thematic Priority</i>	PA4 Competitiveness and SME development
<p>The actions supported under Priority Axis 4 will contribute to enhancing competitiveness and development of business environment and investment in the programme area thus contributing to strengthening of the regional economy.</p> <p>Cross border cooperation can bring added value through connecting different actors from the sectors of economy and innovation as well as improving skills and entrepreneurial competences in the field of economy and innovation.</p> <p>In line with specific objective within Priority Axis 4, the following set of actions will be supported:</p>	

- Actions to increase competitiveness of SMEs in the programme area.

Actions to increase competitiveness of SMEs in the programme area

Examples of actions within specific objective 4.1:

- Establishment of and support to existing and new business related sectorial networks and organisations in standardisation, product protection, marketing and development of cross-border markets
- Development of cooperation between SMEs, public sector, education, research & development organisations to improve business innovativeness and technology based on smart specialization approach.
- Improving knowledge and skills in entrepreneurship, innovation and new technologies.
- Development of training programmes on applying innovation and R&D in their industry, including internship and exchange in cross-border area.
- Establishing laboratories, innovation, technological and competence centres, spin offs and ICT infrastructure for common use of the enterprises in the border region in order to upgrade the existing and develop new products, services, processes or prototypes.
- Cross-border development, adaptation and exchange of best practices in application of new technologies, processes, products or services to be directly used by the enterprises between the clusters or groups of business, R&D and education institutions.

Main target groups and types of beneficiaries

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

Beneficiaries to be understood as project partners benefitting from programme funds and implementing activities within the operation are all legal personalities that can contribute to improving in the area of tourism and management of cultural and natural heritage throughout the programme area. They comprise amongst others: NGOs (for example, citizens associations, development agencies, local action groups, Chambers of Commerce, Chambers of Trades and Crafts, Chambers of Agriculture, expert associations, clusters, producers associations, sector associations, and SME networks, etc), public institutions (for example, institutes and other research organisations, development agencies, national/regional/local institutions responsible for economy, Research and training institutes, etc), educational institutions (for example, universities, faculties, open universities, colleges, adult education institutions, primary and secondary schools etc.), local and regional public authorities, local and regional government bodies, business supporting organisations (for examples entrepreneurship centres and incubators, business zones and parks, etc.), cooperatives, etc.

Specific territories targeted

Taking into account that common potentials and challenges have been identified throughout the whole programme area, no specific territories will be targeted under the Priority Axis 3. Therefore, the supported actions can be implemented throughout the whole programme area.

maxlength='14000'

2.5.5.2. Guiding principles for the selection of operations

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

<i>Thematic priority</i>	PA4 Competitiveness and SME development
The selection of operations will be carried out following the guiding principles and the methodological framework as outlined in Section 2.2.5.2. referring to Priority Axis 1. <i>maxlength='3500'</i>	

2.5.5.3. Planned use of financial instruments (where appropriate)

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

<i>Thematic priority</i>	PA4
<i>Planned use of financial instruments</i>	Not applicable
Not applicable	

2.5.6. Common and programme specific indicators for Priority Axis 4

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

2.5.6.1. Priority Axis 4 result indicators (programme specific)

Table 3: Programme specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) ⁴	Source of data	Frequency of reporting
PA4	Increase in annual turnover of SMEs in million euro in programme area	Million euro	16890,2	2014	16891,5	Statistics	Annually

⁴ Target values may be qualitative or quantitative.

2.5.6.2. Priority Axis 4 output indicators (common or programme specific)

Table 4: Common and programme specific output indicators for Priority Axis 4

ID	Indicator (<i>name of indicator</i>)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
PA4	Number of cross border networks established or improved on competitiveness, business support or promotion of R&D	Number	11	Monitoring operations (progress reports)	Annually
PA4	Number of persons trained on innovation, new technologies, entrepreneurial skills or R&D	Number	330	Monitoring operations (progress reports)	Annually
PA4	Number of laboratories and/or competence centres developed or improved	Number	6	Monitoring operations (progress reports)	Annually
PA4	Number of innovative technologies, processes, products and services introduced by the enterprises in the programme area	Number	8	Monitoring operations (progress reports)	Annually
PA4	Number of researchers working in improved research infrastructure facilities	Number	5	Monitoring operations (progress reports)	Annually
PA4	Number of enterprises cooperating with research institutions	Number	10	Monitoring operations (progress reports)	Annually

2.5.7. Categories of intervention for Priority Axis 4

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

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

Tables 5-8: Categories of intervention for Priority Axis 4

Table 5: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA 4	063 Cluster support and business networks primarily benefiting SMEs	825.000,00
PA 4	066 Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	825.000,00
PA 4	067 SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	825.000,00
PA 4	072 Business infrastructure for SMEs (including industrial parks and sites)	825.000,00
PA 4	073 Support to social enterprises (SMEs)	825.000,00
PA 4	075 Development and promotion of tourism services in or for SMEs	825.000,00
PA 4	077 Development and promotion of cultural and creative services in or for SMEs	825.000,00
PA 4	082 ICT Services and applications for SMEs (including e-Commerce, e-Business and networked business processes), living labs, web entrepreneurs and ICT start-ups)	825.000,00

Table 6: Dimension 2 Form of finance		
Priority axis	Code	Amount (EUR)
PA 4	01 Non-repayable grant	6.600.000,00

Table 7: Dimension 3 Territory type		
Priority axis	Code	Amount (EUR)
PA 4	01 Large Urban areas (densely populated > 50 000	2.200.000,00

	population)	
	02 Small Urban areas (intermediate density > 5 000 population)	2.200.000,00
	03 Rural areas (thinly populated)	2.200.000,00

Table 8: Dimension 6 Territorial delivery mechanisms

Priority axis	Code	Amount (EUR)
PA 4	07 Not applicable	

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

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

<i>Priority axis</i>	PA4
Not applicable	

2.6. Description of the priority axis for technical assistance

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

2.6.1. Priority axis 5 Technical Assistance

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

2.6.2. Fund and calculation basis for Union support

<i>Fund</i>	IPA
<i>Calculation Basis (total eligible expenditure or public</i>	Total eligible expenditure

<i>eligible expenditure)</i>	
<i>Justification of the calculation basis choice (only if total eligible expenditure basis selected)</i>	10% of the EU funding

2.6.3. The specific objectives of the priority axis and the expected results

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

Specific objective (repeated for each specific objective)

<i>ID</i>	PA5
<i>Specific objective</i>	<2.B.1.2 type='S' maxlength='500' input='M'>
<i>Results that the partner States seek to achieve with Union support</i> ⁵	<2.B.1.3 type='S' maxlength='3500' input='M'>

2.6.4. Actions to be supported and their expected contribution to the programme implementation

<i>Priority axis</i>	<2.B.3.1.1 type='S' input='S'>
	<2.B.3.1.2 type='S' maxlength='7000' input='M'>

2.6.5. Programme specific indicators⁶

2.6.6. Programme specific result indicators

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

Table 9: Programme-specific result indicators

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value ⁷ (2023)	Source of data	Frequency of reporting
<2.B.2.1 type='S' maxlength='5' input='M'>	<2.B.2.2 type='S' maxlength='255' input='M'>	<2.B.2.3 type='S' input='M'>	Quantitative	<2.B.2.5 type='N' input='M'>	Quantitative	<2.B.2.7 type='S' maxlength='100' input='M'>	<2.B.2.8 type='S' maxlength='100' input='M'>

⁵ Required where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

⁶ Required where objectively justified by the given the content of the actions and where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

⁷ The target values can be qualitative or quantitative.

					Qualitative <2A.1.10 type='S' maxlength='100' input='M'>		

2.6.6.1. Programme specific output indicators expected to contribute to results

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

Table 10: Programme specific output indicators

ID	Indicator	Measurement unit	Target value (2023) (optional)	Source of data
<2.B.3.2.1 type='S' maxlength='5' input='M'>	<2.B.2.2.2 type='S' maxlength='255' input='M'>	<2.B.3.2.3 type='S' input='M'>	<2.B.3.2.4 type='N' input='M'>	<2.B.3.2.5 type='S' maxlength='100' input='M'>

2.6.7. Categories of intervention

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

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

Tables 11-13: Categories of intervention

Table 11: Dimension 1 Intervention field		
Priority axis	Code	Amount (EUR)
PA5		
PA5		

PA5		
PA5		

Table 12: Dimension 2 Form of finance		
Priority axis	Code	Amount (EUR)
<i><2B.4.2.1 type='S' input='S' Decision=N ></i>	<i><2B.4.2.2 type='S' input='S' Decision=N ></i>	<i><2B.4.2.3 type='N' input='M' Decision=N ></i>

Table 13: Dimension 3 Territory type		
Priority axis	Code	Amount (EUR)
<i><2B.4.3.1 type='S' input='S' Decision=N ></i>	<i><2B.4.3.2 type='S' input='S' Decision=N S^></i>	<i><2B.4.3.3 type='N' input='M' Decision=N ></i>

2.7. Overview table of indicators per priority axis and thematic priority

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

Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
PA1	TP1	1.1 To improve facilities, services and employment throughout the programme area	Increase in employment rate in the programme area	<ul style="list-style-type: none"> • Number of persons related to labour market needs and employability and/or improving social inclusion and/or health care services and/or social care services trained • number of cross-border networks related to employability and/or social exclusion and/or health care and/or social care supported • number of awareness raising events on employability and/or social exclusion and/or health care and/or social care organised • number of social enterprises in the programme area established/improved.
			Percentage of institutions providing improved public health care and social care services	<ul style="list-style-type: none"> • Number of facilities for persons with special needs developed/improved • Population covered with improved health services
PA2	TP2	2.1 To improve management systems for risk prevention (water, soil, air, environmental and biodiversity (including ecosystems and NATURA 2000) protection.	Decrease of km ² affected by flooding per flooding	<ul style="list-style-type: none"> • number of jointly developed and/or operated monitoring systems • number of commonly developed infrastructure actions targeting at improvement in water, air and soil quality • number of pilot and demonstration projects on risk prevention implemented and/or on sustainable energy and/or energy efficiency implemented • number of persons trained on nature protection and/or biodiversity and/or on sustainable energy and/or energy efficiency implemented • Population benefiting from flood protection measures • Surface area of habitats supported in order to attain a better conservation status

		2.2 To promote innovative technologies for sustainable energy production and energy efficiency.	Increase in % of production and usage of sustainable energy.	<ul style="list-style-type: none"> • number of events (information campaigns, conferences, training programmes, awareness raising programmes) on environmental and nature protection, biodiversity and emergency preparedness and/or promoting sustainable energies organised and implemented • Additional capacity of renewable energy production
PA3	TP4	3.1 To strengthen, diversify, integrate the cross-border tourism offer and better manage cultural and natural heritage assets	Increase in number of overnights in the programme area	<ul style="list-style-type: none"> • number of promotional material prepared and disseminated • number of joint tourism products developed and promoted • number of tourism supporting facilities and/or tourism infrastructure developed or improved • number of joint cultural events organised - festivals, manifestations • number of joint tourism strategies prepared and/or implemented • number of cross-border networks, DMOs or clusters in tourism sector established or improved • number of management plans for cultural and heritage sites developed and/or implemented • number of persons educated in quality assurance, standardisation on cultural and natural heritage and destination management • Increase in expected number of visitors to supported sites of cultural and natural heritage
PA4	TP7	4.1. To improve competitiveness of the programme area through enhancing research, development, innovation and business support actions	Increase in annual turnover of SMEs in million euro in programme area	<ul style="list-style-type: none"> • number of cross-border networks established or improved on competitiveness, business support or promotion of R&D. • number of persons trained on innovation, new technologies, entrepreneurial skills or R&D. • number of laboratories and or competence centres developed or improved. • number of innovative technologies, processes, products and services introduced by the enterprises in the programme area. • Number of researchers working in improved research infrastructure

				facilities <ul style="list-style-type: none"> • Number of enterprises cooperating with research institutions
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3. FINANCING PLAN – THE AMOUNTS IN THIS SECTION ARE INDICATIVE

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

3.1. Financial appropriation from the IPA (in EUR)

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

Table 15

Fund	2014	2015	2016	2017	2018	2019	2020	Total
IPA								30,000,000

3.1.1. Total financial appropriation from the IPA and national co-financing (in EUR)

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

1. The financial table sets out the financial plan of the cooperation programme by priority axis.
2. The financial table shall show for information purposes, any contribution from third countries participating in the cooperation programme (other than contributions from IPA and ENI)
3. The EIB⁸ contribution is presented at the level of the priority axis.

Table 16: Financing plan⁹

Priority axis	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b) http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2006R1828:20091013:EN:HTML - E0079#E0079	Co-financing rate (f) = (a)/(e) (2)	For information	
				National Public funding (c)	National private funding (d) (1)			Contributions from third countries	EIB contributions
Priority axis 1	4.500.000,00	4.500.000,00	794.117,64	794.117,64		5.294.117,64	85%		
Priority axis 2	8.400.000,00	8.400.000,00	1.482.352,94	1.482.352,94		9.882.352,94	85%		

⁸ European Investment Bank

⁹ Numbers in the table are indicative.

Prior ity axis 3	7.500.00 0,00	7.500.00 0,00	1.323.52 9,41	1.323.52 9,41		8.823.529,41	85%		
Prior ity axis 4	6.600.00 0,00	6.600.00 0,00	1.164.70 5,88	1.164.70 5,88		7.764.705,88	85%		
Prior ity axis 5	3.000.00 0,00	3.000.00 0,00	450,000	450,000		3.450.000,00	85%		
Tota l	30,000,0 00	30,000,0 00	4.765.15 5,87	4.765.15 5,87		34.765.155,87	85%		

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

3.1.2. Breakdown by priority axis and thematic priority

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

Table 17

Priority axis	Thematic priority	Union support	National counterpart	Total funding
PA1	TP1	4.500.000,00	794.117,64	5.294.117,64
PA2	TP2	8.400.000,00	1.482.352,94	9.882.352,94
PA3	TP4	7.500.000,00	1.323.529,41	8.823.529,41
PA4	TP7	6.600.000,00	1.164.705,88	7.764.705,88
PA5		3.000.000,00	450,000	3.450.000,00
TOTAL		30,000,000	4.765.155,87	34.765.155,87

4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT (WHERE APPROPRIATE)

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

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

Not applicable

4.1. Community-led local development (where appropriate)

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

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

Not applicable

4.2. Integrated Territorial Investment (ITI) (where appropriate)

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

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

Not applicable

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

Priority axis	Indicative financial allocation (Union support) (EUR)
Priority Axis 1	Not applicable
Priority Axis 2	Not applicable
Priority Axis 3	Not applicable
Priority Axis 4	Not applicable
TOTAL	

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

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

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

The IPA CBC programme Croatia-Serbia (Programme) shares entire part of its programme area with European Union Strategy for the Danube Region. Taking into consideration its geographical coverage, the Programme can take part in creating and consolidating links, therefore actively contributing to territorial cohesion between the Programme and the strategy. This will provide platform for Programme operations to contribute to the implementation of the macro-regional strategy and also to trigger synergies between them. Furthermore, coordination of operations working within the same thematic areas will further support the collaboration between the Programme and strategy regions' stakeholders.

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

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

EU Strategy for the Danube Region (EUSDR)

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

“Protecting the Environment in the Danube Region”, “Building Prosperity in the Danube Region” and “Strengthening the Danube Region”.

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

EU Strategy for the Adriatic and Ionian Region (EUSAIR)

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

Considering the stakeholder consultation outcomes, the European Union Strategy for the Adriatic-Ionian Region is expected to address challenges that will also be tackled by the IPA CBC programme Croatia-Bosnia and Herzegovina-Montenegro, more specifically, strategy pillar dealing with challenge of preserving, protecting and improving of the quality of the environment could be related to Programme Priority Axis 2 dealing with the environment protection, improving risk prevention and sustainable energy production. Moreover, strategy pillar dealing with challenge of increasing regional attractiveness by supporting sustainable development of inland, coastal and maritime tourism and preservation and promotion of culture heritage is completely in line with Programme Priority Axis 3 dealing with encouraging tourism, preserving cultural and natural heritage. As for strategy cross-cutting aspects, “Research, innovation and SMEs development” and “Capacity Building”, it is to be noted that capacity building is envisaged to be tackled through implementation of all Programme Axes, whereas research, innovation and SMEs development could be related to Priority Axis 4 dealing with enhancing competitiveness and development of business environment.

During Programme preparation, Managing Authority and partner countries ensured to involve relevant National Contact Points and Priority Areas Coordinators for both strategies in the process of programme planning. Thus, National Contact Points for European Union Strategy for the Adriatic and Ionian Region and Priority Areas Coordinators for the *European Union Strategy for the Danube Region* from the respective programme countries were invited to participate in the first round of public consultations/consultative workshops with stakeholders held in May 2014.

maxlength='7000'

5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

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

5.1. Relevant authorities and bodies

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

Table 19: Programme authorities

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

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Managing authority	Ministry of Regional Development and EU Funds – Directorate for Management of Operational Programmes	. <5.1.2 type='S' maxlength='255' input='M' decision='N' >
Certifying authority, where applicable	Ministry of Regional Development and EU Funds – Directorate for Budget and IT Systems	. <5.1.4 type='S' maxlength='255' input='M' decision='N' >
Audit authority	Agency for the Audit of European Union's Programmes Implementation Systems	. <5.1.6 type='S' maxlength='255' input='M' decision='N' >

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

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

<input type="checkbox"/> the managing authority	<5.1.7 type type='C' input='M' >
<input type="checkbox"/> the certifying authority	<5.1.8 type type='C' input='M' >

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

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

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

5.2. Joint Monitoring Committee

Table 21: Indicative list of Joint Monitoring Committee members

Name of authority/body and department or unit	Role in the programme	Contact details of the authority/body
EU Commission	Advisory	
NIPAC (or territorial cooperation coordinator)	Decision	
National Authority - Croatia	Decision	
National Authority - Serbia	Decision	
Regional representatives - Croatia	Decision	
Regional and local representatives – Serbia	Decision	
Macro-regional strategy representative (where the programme is overlapping a macro-region covered by an EU Strategy)	Consultative	
Other (as agreed by the partner countries)		

5.3. Procedure for setting up the joint secretariat

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

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

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

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

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

<5.2 type='S' maxlength='3500' input='M' >

5.4. Summary description of the management and control arrangements

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

The following section describes the implementation structure of the IPA CBC Programme Croatia – Serbia 2014-2020. More detailed provisions will be included in the Description of the Management and Control System (DMCS), approved according to Article 124 of the CPR, and in the programme guidance documents (application and implementation manuals, Control & Audit Guidelines) which will form integral part of the DMCS. Guidance documents shall be adopted by the JMC.

The programme language is English.

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

The programme management structure is illustrated in Annex.

5.4.a Joint monitoring committee

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

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

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

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

Composition of the Joint monitoring committee

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

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

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

In principle, decisions by the JMC shall be taken by consensus whereby each voting member of the JMC shall have one vote. Voting principles will be laid out in the rules of procedure of the JMC.

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

Functions of the monitoring committee

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

5.4.b Responsibilities of the participating countries

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

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

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

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

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

5.4.c Managing authority

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

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

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

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

5.3.d Certifying authority

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

The main responsibilities of the CA are listed in Annex.

5.4.d Audit authority

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

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

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

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

5.4.e Joint secretariat

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

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

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

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

Besides joint secretariat headquarters based in Croatia, antenna office may be set in Serbia in order to ensure smooth and efficient programme implementation.

5.4.f National Authorities

National authorities of the participating countries, Ministry of Regional Development and EU Funds of the Republic of Croatia and EU Integration Office of the Government of the Republic of Serbia are responsible for setting up and ensuring efficient functioning of the control system, as well as all other relevant responsibilities, in line with Article 74 of the CPR.

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

The main responsibilities of the NA are listed in Annex.

5.4.g Project cycle

Application

The IPA CBC programme Croatia – Serbia 2014-2020 aims for project generation and selection procedures that are both pro-active and transparent. This section contains basic information regarding the procedures and arrangements for the generation and selection of operations.

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

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

According to the specific characteristics of each call for proposals, ad-hoc application procedures and templates will be developed and be part of the call-specific information and application package. It will be widely circulated and

available from the programme and national websites. The information and application package will include the necessary guidance to assist partnerships in the preparation of their application.

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

Assessment and selection of operations

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

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

a) Eligibility check

Eligibility criteria

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

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

Eligibility of partnership - definition of partners

In the IPA CBC programme Croatia – Serbia 2014-2020 partners participating in operations shall be the following:

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

Further details concerning participation in operations will be defined by the JMC

in agreement with the MA and will be laid down in the call-specific application documents.

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

Eligibility of partners - geographical eligibility

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

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

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

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

b) Quality assessment

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

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

Quality of applications

General horizontal quality requirements have to be followed, which are reflected in the quality assessment criteria. The strong result-oriented approach to be applied by the territorial cooperation programmes demands operations that deliver concrete and visible outputs and results in response to well-identified challenges of the programme area and addressing development needs in an integrated manner. Operations focussing on purely academic cooperation or basic research or aiming at mere networking and exchanging of experience and/or not demonstrating the potential for translation of outputs arising from “soft” actions (surveys, studies, etc.) into concrete and sustainable results will not be supported by the Programme.

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

- Cross-border relevance: the operation contributes to the chosen programme specific objective and addresses development needs and territorial

challenges of the Programme that are shared by the partners participating in the operation and cannot be sufficiently addressed by individual partner alone. Moreover, joint solutions developed within an operation show a clear cross-border added value going beyond the mere addition of results independently achievable in the involved territories. Relevant policies shall be considered as well.

– Partnership relevance: the partnership involves at least two financing partners from two partner countries, at least one of them being located in Croatia. Partners are relevant bodies competent for the development, implementation and follow-up of outputs and results. The partnership should reflect the thematic focus of the operation. The partners are involved in a way that demonstrates the joint development and implementation of the operation. Additionally, they shall cooperate in either the staffing or the financing of operations

– Concrete and measurable results: operations are able to deliver results that directly contribute to the results expected at programme level for the concerned priority axis. Results are achieved through the development of suitable outputs within a cross-border context. Results must be relevant, visible and measurable, with a clear implementation orientation. Operations are required to provide precise descriptions of their main outputs and results in the application form. In defining their outputs and results, operations should build on previous and current experiences and knowledge, however developing novel solutions where appropriate and avoiding overlaps.

– Durable outputs and results: operations have to ensure that produced outputs and achieved results are durable and suitable to be continued, where appropriate, within other initiatives (e.g. policies, strategies, plans) and/or preparing investments to be financed with other sources (e.g. EIB or other financial institutions, EU mainstream programmes, national and regional funds) also beyond the territories involved in the operation. Operations should establish adequate links to the appropriate policy-making and/or territorial governance levels to ensure sustainability and continuity of results. Coherent approach: the approach for defining the work plan is overall coherent and transparent, showing a clear relation between inputs, outputs and results within a convincing timeframe.

– Sound project communication strategy: communication activities are to be in line with project objectives and appropriate to reach the relevant target groups and stakeholders with regard to communication of project results and their capitalisation.

– Effective management: the operation has clear, effective, efficient and transparent management and coordination structures and procedures.

– Sound budget: operations have to develop budgets reflecting the project design and demonstrating value for money coherent with the planned outputs and the expected results, in line with the principles of sound financial management. The budget is consolidated at project level and partner contributions to the budget shall reflect the joint implementation of the operation.

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

Contracting

Following the decision of the JMC to approve applications recommended for funding based on the technical quality assessment performed by the MA/JS (with assistance of external independent experts), the MA drafts subsidy contracts using a standard template approved by the JMC. The template is developed in compliance with the applicable laws of the Republic of Croatia and the principles of the Ministry of Regional Development and EU Funds where the MA is. The subsidy contract is addressed to the lead beneficiary, appointed by the partnership in accordance to Article 40 (6) of Commission Implementing Regulation no. 447/2014, and is signed by the legal representative of the lead beneficiary institution and by the MA representing the Ministry of Regional Development and EU Funds.

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

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

The approved application documents, including the final approved application form and the communication of the approval decision by the JMC will form an integral part of the subsidy contract.

Monitoring

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

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

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

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

Financial control system

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

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

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

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

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

Control System) on programme level in accordance with Articles 72 and 74 of the CPR.

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

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

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

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

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

- Verification of controller documents
- Quality review of system

Reimbursement from the managing authority to the lead beneficiaries

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

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

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

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

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

Financial flows are illustrated in Annex.

Resolution of complaints

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

Complaints related to assessment and selection:

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

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

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

Complaints related to the national control system:

Project lead beneficiaries or partners that have complaints related to the national control system set up in accordance with Article 23(4) of the ETC Regulation, can file a complaint to the national control coordination body of the relevant participating country authority following national procedures set in place in accordance with Article 74(3) of the CPR. Participating country national authority may set up a task force or a sub-committee to deal with the complaints.

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

5.4.h Annual and final implementation reports

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

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

5.4.i Programme evaluation

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

In accordance with Article 56 of the CPR, the MA will draw up an evaluation plan

which will be approved by the JMC in line with provisions as laid down in Article 110(2)(c) of the CPR.

In accordance with Article 56 of the CPR, evaluations will be carried out to assess the effectiveness, efficiency and impact of the programme. During the programming period, evaluation will assess how support from the funds has contributed to the objectives for each priority and also the territorial coverage of the programme area. All evaluations, recommendations and follow-up actions will be examined and approved by the JMC.

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

5.4.j Computerised exchange of data

Monitoring System

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

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

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

The e-MS will comply with the following aspects:

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

protection of individuals with regard to the processing of personal data and on the free movement of such data).

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

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

5.4.k Contribution of the Member States to the financing of technical assistance

On the programme level, the TA is jointly financed by the countries participating in the programme. In accordance with Article 35 of the Commission Implementing Regulation no. 447/2014, TA is financed by a maximum of 10% of the total IPA amount allocated to the programme. The TA amount will be co-financed by the participating countries in the programme. Details on the TA budget are laid out in Section 3.

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

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

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

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

5.4.l Information and communication

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

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

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

in addition a key role in communicating project achievements on all levels.

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

<5.3. type='S' maxlength='35000' input='M' >

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

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

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

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

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

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

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

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

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

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

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

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

<5.4 type='S' maxlength='10500' input='M' >

5.6. Use of the Euro (where applicable)

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

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

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

<5.5. type='S' maxlength='2000' input='M' >

5.7. Involvement of partners

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

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

<5.6 type='S' maxlength='14000' input='M' Decisions=N>

6. HORIZONTAL PRINCIPLES

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

6.1. Sustainable development

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

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

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

- Decrease of km² affected by flooding per flooding
- Increase in % of production and usage of sustainable energy.

During the selection procedure, the relevant questions, where appropriate, are:

- For all Priority Axes: to what extent is the operation contributing to the realization of the EU2020 goals of sustainable development (e.g. decrease of greenhouse gas emissions, the increase in energy efficiency and in renewable energy production)?
- To what extent will the operations stimulate a sustainable development?
- For Priority Axis 1 - which focuses on enhancing efficient and effective labour market, social inclusion and improved healthcare – this could be for example through an increase in green jobs, supporting green entrepreneurship and green business principals in general, incorporating elements of sustainability in healthcare and other social sector interventions.
- For Priority Axis 2 – which focuses on protecting the environment, improve risk prevention and sustainable energy production - all operations will have to address sustainable development, e.g. through environmental protection, energy efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management.
- For Priority Axis 3 – which focuses on encouraging tourism and preserving cultural and natural heritage – this could for example be through clearly sustainable tourism operations which are not only stimulating economic development but also clearly protecting the cultural and/or natural heritage and/or the environment.
- For Priority Axis 4 – which focuses on enhancing competitiveness, development of business environment and investment – this could be for example through green entrepreneurship, business focused on sustainable development, preventions of investments with considerable negative environmental and climate

effects and overall sustainability of the investment.

maxlength='5500'

6.2. Equal opportunities and non-discrimination

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

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

- **Programming:** In the situation analysis and SWOT the needs of various target groups, such as vulnerable groups have been identified as a core issue of the programme area with special emphasis on their socio-economic situation. Especially Priority Axis 1 is strongly rooted in principle of equal opportunities and non-discrimination giving special attention to vulnerable groups and improvement of their employability, networking between different stakeholders directly decreasing their social exclusion, supporting them with educational programmes and possibilities of self-employment but especially giving boost to social entrepreneurship and its development. By working on improvement in services in the area of public health and social welfare sector programme will have positive impact in decreasing discrimination and providing equal opportunities with specific actions. This will ensure that there are specific operations focused on promoting equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.
- **Programming and monitoring:** The members of the Task Force for the development of the cooperation programme have been selected on basis of the equal opportunity and non-discrimination principle. Adequate consideration of equal opportunities and non-discrimination issues was ensured through workshops and Task Force meetings with inviting and consulting all relevant representatives of these groups. This will also be applied to the Monitoring Committee by integrating it in the Rules of Procedure.
- **Monitoring and reporting:** All operations of all four Priority Axes will have to demonstrate in the application form how they intend to contribute to the equal opportunities and non-discrimination, either through operation staff or focus of the topic on equal opportunities and non-discrimination.
- For Priority Axis 1 operations are requested to indicate how they contribute to the following output indicators:
 - Number of persons related to labour market needs and employability and/or improving social inclusion and/or health care services and/or social care services trained.
 - Number of cross-border networks related to employability and/or social exclusion and/or health care and/or social care supported.
 - number of awareness raising events on employability and/or social exclusion and/or health care and/or social care organised.
 - Number of social enterprises in the programme area established/improved.

- Number of facilities for persons with special needs developed/improved.
- Population covered with improved health services.

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

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

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6.3. Equality between men and women

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

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

Each operation supported under this programme will be asked to indicate how they intend to promote equality between men and women.

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

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

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ANNEXES (UPLOADED TO ELECTRONIC DATA EXCHANGE SYSTEMS AS SEPARATE FILES):

- 1. Draft report of the ex-ante evaluation (including an executive summary of the report)**
- 2. Confirmation of agreement in writing to the contents of the cooperation programme (Reference: Article 8(9) of Regulation (EU) No 1299/2013)**
- 3. A map of the area covered by the cooperation programme**
- 4. A "citizens summary" of the cooperation programme**
- 5. Strategic Environmental Assessment**
- 6. Situation Analysis**
- 7. SWOT**