

Cooperation programmes under the European territorial cooperation goal

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

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

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

The Role of the Cooperation Programme

This Cooperation Programme (CP) describes the context and priorities for cross-border cooperation (CBC) between Italy and Croatia for 2014–2020.

This programme enables regional and local stakeholders from two countries to exchange knowledge and experiences, to develop and implement pilot actions, to test the feasibility of new policies, products and services and to support investments. The programme is part-funded by the European Regional Development Fund (ERDF).

The chapter presents the Programme territory and analyses its main features for selecting a list of key development assets and challenges in the Italy – Croatia area that may be addressed through the CBC.

Italy – Croatia Cross Border Cooperation Programme Area

The Italy – Croatia area shows a distinct blue and green pattern, featuring the sea basin, coastal landscapes, green but also urban areas. The location of the Adriatic Sea in the very centre of the territory – although shared with other Countries – on one hand, requires more efforts to accomplish collaboration aims related with the cross-border integration of economic, educational and labour markets. On the other, it is a joint economic and environmental asset, and a natural platform for cooperation building on long-dating trade exchange contacts reflected in some common traits of cultural heritage.

The Programme area includes the following administrative units at the NUTS III level:

- in Italy – administrative units (province) of Teramo, Pescara, Chieti (Abruzzo), Campobasso (Molise), Brindisi, Lecce, Foggia, Bari,

- Barletta–Andria–Trani (Puglia), Venezia, Padova, Rovigo (Veneto), Pordenone, Udine, Gorizia, Trieste (Friuli Venezia Giulia), Ferrara, Ravenna, Forlì–Cesena, Rimini (Emilia Romagna), Pesaro e Urbino, Ancona, Macerata, Ascoli Piceno, Fermo (Marche);
- Croatia – administrative units (županija) Primorsko–goranska, Ličko–senjska, Zadarska, Šibensko–kninska, Splitsko–dalmatinska, Istarska, Dubrovačko–neretvanska (Adriatic Croatia region), Karlovačka (Continental Croatia region).

The whole Programme area spreads over 85.562 km² and, according to the last census (2011), the population is 12.465.861 inhabitants.

In terms of population and surface, the Italian regions are very significant and represent 88% of population and 67% of surface area of the whole Programme territory.

Programme area consists of more than 1.500 municipalities with some, very important urban areas such as Bari (315.993 inhabitants), Venice (261.362 inhabitants), Padova (214.125 inhabitants), Trieste (202.123 inhabitants), Split (178.102 inhabitants), Ravenna (160.243 inhabitants), Foggia (153.143 inhabitants), Ferrara (131.841 inhabitants), Rijeka (128.624 inhabitants), Pescara (123.103 inhabitants), Ancona (102.997 inhabitants) and Udine (100.514 inhabitants). Several of these cities are served by ports representing key hubs in terms of possibility for developing maritime trade.

The population density in the Programme area is 145,69 inhabitants per km², but there are big differences between the Programme areas for each country. Population density in the whole Programme area is above the averages of EU28 (112 inhabitant/km²) and Croatia (75,78 inhabitant/km²), but lower than Italian national average (197,30 inhabitants/km²).

The area contains territories of two EU Member States with different levels of socio–economic development. The single market opportunities and policies facilitating the free movement of people, goods, services and capital boosted convergence and competition processes, but these have not yet managed to reduce significant socio– economic disparities within the Programme area.

Since early 2000s, the emerging cross–border ties established within the framework of previous platforms have resulted in many diverse collaboration networks spreading across the area and involving: regional and local authorities, business organisations, research and academic institutions and non–governmental organisations. The cooperative networks were strengthened by joint projects under the IPA Adriatic CBC Programme 2007–2013, SEE and MED and provide a solid base for the years ahead.

General Policy Framework

The strategic approach of the Italy–Croatia 2014–2020 CBC Programme was developed taking into consideration the policy framework on European, macro–regional, national and regional levels. The drafting process was conducted along the goals and priorities identified within multi thematic strategies, the most important being the following:

Europe 2020 Strategy – the strategy is based on the concept of growth on European level, defining three, interdependent types: Smart growth – a knowledge based, innovative economy; Sustainable growth – an environmentally sensitive, competitive economy based on rational and efficient use of resources; Inclusive growth – an economy based on using the available human resources through high employment and promoting social and territorial cohesion.

The Territorial Agenda of the European Union 2020 – it is an action–oriented policy framework concluded to provide strategic orientations for territorial development, fostering integration of the territorial dimension within different policies across all governance levels while overseeing implementation of the Europe 2020 strategy in accordance with the principles of territorial cohesion.

European Union Strategy for the Adriatic and Ionian Region – a macro–regional strategy designed to promote the economic growth and prosperity of the Region by improving its attractiveness, competitiveness and connectivity, while protecting the sea, coastal and inland environment and ecosystems. Accordingly, EUSAIR is based on four pillars: Blue Growth, Connecting the Region, Environmental quality and Sustainable tourism.

National Reform Programmes which are comprising the national level policies and measures to sustain growth and jobs and to reach the Europe 2020 targets

Partnership Agreements consisting of strategic plans with investment priorities covering the ESI Funds

National and Regional Research and Innovation Strategies for Smart Specialization (RIS3) which provide the strategic approach to economic development through targeted support to Research and Innovation.

Additionally, thematic policy frameworks were reflected in order to best address the needs in given sectors and the design of the programme took into consideration the goals identified in specific thematic fields. The list of these strategic documents and policy frameworks includes:

- EU Smart Specialization Platform
- Water Framework Directive
- Marine Strategy Framework Directive
- EU Biodiversity Strategy to 2020
- The Habitats and Birds Directives
- The Bathing Water Directive
- Common Fisheries Policy

KEY FACTS OF THE PROGRAMME AREA

The situation of the Programme area in relation to Smart Growth

In terms of expenditures for **Research and Development** the programme area is characterized by a very heterogeneous situation. On national level, the GERD (Gross domestic Expenditure on Research and Development) lags behind the EU28 average of 2.07%, with Italy at 1.27% and with Croatia at 0.75%, with even lower values for the Croatian part of the programme area. The discrepancies are present within the Italian programme area as well, with regions that have higher values than the national level (Friuli Venezia Giulia 1.5% and Emilia–Romagna 1.4%) and regions falling far behind the national average, as Puglia 0.7% and Molise 0.5%. The situation is reflected also by the Regional Innovation Scoreboard 2014, which classifies Friuli Venezia Giulia and Emilia–Romagna regions as *Innovation followers*, Adriatic Croatia as *Modest Innovator*, while the rest of the regions are labelled as *Moderate Innovators*.

In terms of institutional background for innovation, there are total of 23 universities in the cooperation area. Italian Adriatic Regions host 18 public universities each operating research centres and centres of knowledge, which are complemented by a series of privately operated research organizations. In Adriatic Croatia there are 5 Universities: (Pula, Rijeka, Zadar, Split and Dubrovnik) all having R&D activities mostly focused on tourism, fisheries, nature and sea protection, food production (including mariculture). Even though institutional setup for R&D is well organized, reflected in the good performance in basic research and in participation in scientific projects on EU level, the model demonstrated some limits, especially referring to the creation of efficient synergies/network between clusters and SMEs, research centres and universities sometimes not able to fully exploit their potentials by creating an appropriate critical mass for transfer of technology.

Competitiveness is connected to the capacity to absorb and generate innovation through transfer of technology, which is ultimately expressed in new products and services. In terms of patent applications to the European Patent Office as an indicator of R&D competitiveness, the situation in the programme area is unbalanced, since Italy (63 applications for million inhabitants in 2011) is much more advanced than

Croatia(3.4), but both are lagging behind EU28 (106). Moreover, within Italian programme area, there are important discrepancies, with regions like Emilia Romagna or Veneto having registered more than 350 applications, and regions like Molise with only one patent application registered to the European Patent Office. This situation is reflected also by the employment rates in the medium–high/high–tech manufacturing sectors and in the knowledge–intensive sectors, where the regions from the Northern part of the Italian programme area are displaying values above the EU average, while the rest of the programme territory is lagging behind the EU average.

The importance of the technological transfer is highlighted also by the Smart Specialization Strategies developed in the programme area on national and regional level, all of them selecting as a priority for the upcoming period the Key Enabling Technologies (KETs), designed to contribute to the acceleration of the transition to a knowledge–based, low carbon economy. Cross–border cooperation can contribute to increasing the efficiency of addressing the complementary sectors of the regional and national smart specialization strategies, as in the abovementioned KET sector.

It is widely acknowledged that innovative capacity and sustainable structures for research and innovation are caused by the interaction of framework factors enabling knowledge to be converted into new products, processes, behaviours and organizational forms, which in turn enhance economic development and growth. The improvement of innovation framework conditions – in terms of institutional cooperation, policy instruments and developing practical cross–linkages between enterprises, R&D institutions, higher education, the public sector and the citizens – is a major challenge for the most part of the area. This challenge is even intensified by the impact of the persistent financial and economic crisis, which requires structural and significant changes. The economic crisis has in fact reinforced the need to develop new organization processes and knowledge based competitiveness, encouraging clusters among innovation players and the creation of innovative business and social models. In particular, the diffusion of entrepreneurial networks and culture funded on creativity, innovation, flexibility, knowledge, may constitute a real important development driver. This driver should be particularly (but not only) directed towards the identified sectors of the blue economy that have demonstrated a large potential in the Cooperation area.

In the last five years the density of **broadband Internet** in programme area is increasing rapidly. Internet coverage in both Italy and Croatia is under the EU28 (76%). In 2013 Italy recorded coverage of 68%, while Croatia had 64%. Though trailing behind the EU28, both countries had a bigger growing rate than EU (19%); in the past five years. Italy's coverage has grown by 29%, and Croatia's by 25%. **ICT sector** in Croatia contributes to GDP with 4.2%, employs 29,648 people and has annual revenue of 1,5 billion euro. It is one of the rare growing industries in

Croatian economy. In Italy ICT sector revenue amounts to 65,2 billion euro. It contributes to GDP with 4.8%, quite lower than the average EU(28) value of 6.8%. The trend is negative[1].

ICT sector can have even stronger role through crosscutting in the field of SME innovation and R&D, e-business, improvement in access to services (e-services), and access to information and education in remote/rural areas.

Economy of the Programme area is still affected by the economic crisis from 2008, which results in low level of competition in international markets and decrease of GDP growth rate. GDP per capita of the Programme territory is at 67% of the EU28, with Croatian side being at 42% of Italian territory. Both in Italy and Croatia, northern part of cooperation territory is performing better. Data show that that cooperation area as a whole needs strengthening of competitiveness in order to ensure GDP growth and exports development.

The **SMEs sector** is the pillar of the economy of Programme area. SMEs[2] in Croatia represent 99,7% of all companies, with predominantly micro[3] enterprises (90,7%). In 2013, SMEs employed 64,2% of the total labour force. In Italy SMEs make 94.8% of the total number of non financial enterprises and employ 79.84% of the total Italian labour force[4]. Data available through Croatian Financial Agency and CNA are showing that SME sector had become more important for export, representing 44% (HR) and 50% (IT) of total export in 2012.

Other traditionally important economic activities are **fisheries, aquaculture and shipbuilding**.

Fisheries is an important economic activity on Adriatic Sea, both in Italy and Croatia. Although having a small contribution to national GDPs (Italy 0.1%, Croatia 0.2 – 0.7%) it has a strong role in regional economies in terms of employment and associated economic activities such as manufacturing and reparation of boats, transport and logistics for fishing and port activities. In Croatia, 443 fishermen are organised through the 18 fishery cooperatives. Interest for cooperation is increasing and several cooperatives demonstrate capacities for becoming organisations of producers which are recognised by EU legislative. There are 14.000 persons permanently employed in fisheries and another 25.000 employed are seasonally. In Italy, there is an estimation that 28.000 persons are permanently employed in fisheries. Biggest challenges in both countries are: small-scale boats often in need for modernisation also in relation to energy efficiency and cleaner vessels, inadequate port infrastructure and logistics, and lack of clusters and networks. There is a need for integrated management in the field of fisheries, especially concerning innovative mechanisms for sustainable growth and protection of Adriatic ecosystem.

Aquaculture sector is becoming more important economic activity, shellfish cultivation included, contributing to the objectives of the EU Blue Growth. Croatia has constant production in the aquaculture around 12.000 – 13.000 tonnes annually, with 14.000 tons produced in 2012 out of which 70% represents mariculture (sea fish and bivalve). According to the data from API (Italian fish farmers association), in 2009 were identified in the national territory 357 plants dedicated to aquaculture production of trout, mostly concentrated in Veneto and Friuli Venezia Giulia regions, which together cover more than 40% of domestic plants. Further growth of aquaculture sector, including the development of innovative techniques and growing on new species, can bring benefits to the regional economies of cooperation area and build synergies between business and research institutions.

Croatian **shipbuilding** is a significant economic activity with 2–5% employment, 1–2% share of GDP and 10–15% in exports in the last 10 years. However, Croatian shipyards have been incurred in losses throughout the last 20 years, and as such have been heavily subsidized by the state. Although there is a significant tradition, experience and know-how, future of those shipyards is fully dependent on their ability to modernize, specialize and apply hi-tech innovation. On the Italian Adriatic side shipyard sector is as well considered important and traditional, hosting 8 active places of production of cruise, merchant and military ship located along the programme area therefore excluding yacht sector. Whilst the world crisis has severely affected the whole Italian sector, Northern Adriatic shipyards have managed to cope with the crisis based on the high level of specialisation and export oriented approach. This could be further enhanced by strengthening the potentials of green shipbuilding based on the exploitation of new materials and emerging technologies.

[1]Source:

http://www.assinform.it/aree_sx/informazioni/comunicati/cs_dati_ict_2014.htm

[2]SME observatory in Croatia, 2013.

[3]Micro, small and medium-sized enterprises are defined according to their staff headcount and turnover or annual balance-sheet total. A microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

[4]http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

The situation of the Programme area in relation to Sustainable Growth

The Programme area has a positive trend in the potential use of **renewable energy sources**. Comparing the years, Italy had an increase of 4.20% from 2009 to 2012 and for Croatia the increase was 3.70% with both countries above EU28 level of 2.20%. Croatia and Italy both signed **Kyoto Protocol** and as countries are committed to reduce their greenhouse emissions. Renewable energy sources still do not have an appropriate share in the energy structure.

Both countries have many **national parks and protected areas**. In Italy the coverage is around 5% while in Croatia it is 1,77% with all the national parks in the Programme area. Protected area surface included in Natura 2000 network in Italy is 21,20%, while in Croatia is much higher with 45.86% significantly higher than EU28 of 24.23%. European laws and regulation on biodiversity conservation and on Natura 2000 network have not a uniform level of application in the two Countries. In particular, Croatia has planned to fulfil the compliance with the Natura 2000 regulation for the 2020.

As a key feature **Adriatic Sea**, extending for an area of 138.595 km², a length of 783 km with an average width of 170 km, with its coast and islands is the most valuable, but also one of the most vulnerable natural ecosystems of the programme area. There are as well several marine protected areas established to preserve natural structures and their habitats (Miramare, Conero, Tremeiti, Torre Guaceto, Brijuni, Kornati, Krka and Mljet). Protected areas have been implemented, however ecosystems and biodiversity evolve and protection measures do not answer to all needs observed at territorial level.

The Adriatic Sea is generally characterized by purity, transparency and unique landscapes. Coastal areas are also characterized by a high degree of biodiversity, including numerous endemic species, sensitive habitats and ecosystems representing a key dimension of the quality of life, territorial attractiveness of the water and food supply and the fight against overexploitation of resources. Natural marine and coastal resources in these regions are highly valuable and constitute an important driver for economic development. However they suffer a strong pressure and conflicts of use due to the urbanization process, agricultural and industrial activities, transport, etc. It is important to underline the increasing pressure due also to littoralization processes, increasing uses of the marine space and resources. The Adriatic is affected by the emerging microplastics pollution and other negative impact (derelict fishing gear). The overall debris density in the sea is 3.78 pieces of debris per hectare (pd/ha) or 378 items/km² that, although considerably lower in comparison to the 19.35 pd/ha (1935 items/km²) mean concentration estimated in the North West Mediterranean, is reported as increasing. Plastics constitutes the 69.5% of litter items

found. Protection measures must be interconnected and inclined to take into account these changes and can be significantly improved if linked with the use of green technologies.

Due to its long lasting tradition and dynamic history, the Programme area represents a culturally rich and worldwide recognized territory. The Adriatic Sea has traditionally constituted a basin for economic and social exchanges between different cultures and religions for centuries, until modern times. Architects, painters, sculptors have all left their signatures in various settlements on both sides of the sea thus cultural assets sometimes present common characteristics in terms of construction techniques and materials and in most of the cases the value of the cultural heritage has been acknowledged by the international community. Another important element bridging the two shores is represented by national minorities. Italians in Croatia are a recognized part of the population, especially in Istria County, while Croats are present in some villages in Molise where language and traditions are preserved and valorised at local level. There are 30 UNESCO World Heritage protected sites, natural heritage and intangible heritage in the area altogether creating a very attractive destination. 13 are located on the Italian side, while 17 on the Croatian one. All these assets need to be preserved from anthropic pressure (especially generated by mass tourism) and other threats.

As a matter of fact, although recognized as an important economical factor, tourism (in Croatia, as a sector it contributes to national GDP with a share of 14.4% and in Italy with 10.3%) represents a significant ecological footprint. In the cooperation area lidos and large sandy beaches have become a veritable tourist habitat in which public amenities, private buildings and the excessive population density have very often obliterated the natural context for beaches and build-up areas, strictly for seasonal tourism where the swarms in the summer months contrast sharply with the solitude of the winter period. CBC actions can support the development of a more **sustainable approach to tourism**, mitigating high seasonality pressure by improving the offer for integrated destination management and supplementary development of rural tourism while exploiting the previously described preserved natural attractions and joint cultural and thematic assets.

The Programme area is under the **influence of climate change** that, as an area for intervention, is underpinned by a range of interlinked needs and potentials which are quite challenging. Southern regions are expected to be affected by possible increase in frequency of severe dry periods and droughts events. **Coastal areas** are vulnerable, as they are prone to related risks that are likely to increase, such as flooding or coastal erosion, subsidence, wetland degradation or saltwater intrusion into freshwater systems. In the area of the Adriatic Sea there is approximately 20,600 ha at risk of flooding. Even if not sharing a common river basin, similar climate change characteristics call for joint efforts in flooding management. Additionally, a sea level rise of 0.20–

0.70 metres has been projected for 2100. The major coastal areas at risk of sea flooding are the Padano–Venetian plain, the urban settlements along the west coast of Istria (towns of Rovinj and Pula), areas of Zadar, Split, Neretva River delta and Rijeka dubrovačka Bay can be affected by sea flooding, and many economical and historical or cultural important buildings can be submerged or devastate with negative effects on the tourism industry due to the loss of seashore and damages to infrastructures and services. Moreover, the effects and the adaptation potentiality of the marine and maritime systems are still poorly known as the Regions of the area have to cope with the lack of homogeneous and comparable data. The cross border area therefore needs to maintain and strengthen **its adaptive capacity** to climate change in a context where there is a risk of an increase in vulnerability, reinforced by the lower allocation of public financing on this issue in the context of lasting economic difficulties.

While being closely interrelated for many aspects, adaptation to climate change on one side and **risk prevention & management** on the other side should not be considered as one and the same topic: natural disasters can be seen as impacts of a changing climate but can also have other root causes. The cooperation area shows significant risks of droughts and wild fires in view of a constantly increase human pressure and urbanization but as well as linked to the activities closely connected to the use and exploitation of water resources. In Croatia, during 2013, 137 wildfires affected 1.999 hectares of land. Most of the fires (104) occurred in the Split area (76% of the number of fires and 88% of the affected surfaces). In Italy, in 2013 throughout the country 2.936 forest fires burnt a total area of 29.076 hectares, of which 13.437 were wooded. The Adriatic Sea is crossed by important oil transport routes from the Otranto Strait to the north Adriatic ports (Trieste, Venice, Omišalj), transporting around 58×10^6 t of oil annually thus making the risk of oil spill significant.

There is a long lasting tradition of circulation of people, goods, capital, knowledge and technologies in the Programme area. The area is characterised by the dominance of road transport on land bound routes and by a large number of smaller and bigger ports at the coast line. The connections to the hinterland are sometimes limited, there are many bottlenecks in multimodal connections and the governance is poor too. This is evident by the maritime traffic congestion at port areas and in general in coastal areas. At the same time, the number of visitors and travellers is increasing, demanding the implementation of new transport services and therefore opening opportunities for transport boosting in different transport modes. The lack of efficient multimodal networks (road, rail air, water transport) as well as low connectivity and mobility of peripheral areas can be potentially addressed by improving transport organization, services, infrastructures and management. Waterway transport plays a key role in this respect, especially since it has a relatively low environmental impact, thus the creation of an efficient multimodal transport system in the region may become a driving force

for its sustainable development. The relatively low offer of routes between the two shores of the Adriatic is affecting the accessibility of the overall area.

The **accessibility** of Italian coastal territories is ensured by network of motorways and Adriatic state roads, together with the railways (with good branch lines) that serve the harbours. In Croatia road network is quite extensive, even if it is mostly of regional and national importance, and the navigation and **maritime transport** capability of the harbours is good. An important corridor for the Programme area is the Mediterranean corridor that connects the South of Iberian peninsula, across Mediterranean coast of Spain and France going through Alps in north Italy and then entering Slovenia going towards Hungarian–Ukraine border. Integral part of this corridor is the rail and motorway transport Rijeka – Zagreb – Budapest (V b corridor). The Mediterranean corridor is also extended with the rail and motorway transport Zagreb–Slovenia (X corridor).

In terms of maritime transport, the programme area is among the leading regions on European level, hosting a large number of ports, some of them important hubs for goods and passenger transportation. The port of Trieste is the 11th in Europe regarding the transport of goods, with more than 45 million tonnes in 2013, while Venice is the 20th with more than 23 million tonnes. Moreover, Friuli Venezia Giulia region is the second region in Italy in this sector, with a total of more than 51 million tonnes. The Croatian part of the programme area is much less important in terms of freight maritime transportation, mainly due to the lack of multimodal connections to other means of transportation. Regarding transport of passenger, Adriatic Croatia is the second among the NUTS2 regions of Europe, with more than 13 million passengers transported in 2013.

Nevertheless, the large majority of the passengers is represented by tourists having as destination Croatia, while the relatively low number of routes between the two shores of the Adriatic is affecting the accessibility of the overall area. Moreover, the high seasonality of tourism, the increasing numbers of visitors and travellers, together with the lack of efficient multimodal nodes in the area are generating traffic congestions in the coastal zones, especially in the areas of more important ports. The situation reveals the importance of transport in the overall economy of the programme area, but in the meanwhile represents an important challenge for the accessibility of the region in terms of connectivity, inter-operability and multimodality.

The situation of the Programme area in relation to Inclusive Growth

World recession caused by financial crisis is one of the main reasons of loss of jobs and increase in unemployment rates throughout the EU

countries. Even though increase from 2009 to 2013 on EU28 level was only 1.90%, many countries have been seriously affected, including Italy and Croatia. In Italy unemployment rate has increased by 4.40%, while in Croatia by 8.10%. Most affected regions in Italy are, in the Programme area, Molise and Puglia, while Croatian Adriatic region has somewhat higher unemployment rate compared to national level.

Together with unemployment rate, we can see employment rate that is decreasing yearly on each level for the observed period 2009–2013. While EU28 records a decrease of employment by 0.60% and Italy by 1.90%, in Croatia this rate is much more drastic, ranking at 7.80%. Analysing data from 1st quarter of 2014, both Italy and Croatia are lagging behind EU28, with 42.4% of employed active population with methodological note that Croatia has 52.2% and Italy 49.1% of active population.

Employment in business entities according to NACE (Statistical classification of economic activities) shows that at EU28 level the highest share of employment is in the field of public administration, defence, education and health, with 14.74%, while in Italy and Croatia most of the employed population is in the sector of commerce, transport and storage, but also in accommodation and food sector. Opportunities for self-employment are traditionally good in Italy, where small and medium size entrepreneurship and especially family business and crafts have long tradition. Trend in Italy is showing a slight decrease, however the rate is still high. As it is clear from the data, Italy is much higher than EU28, while the situation in Croatia is very alarming with a strong declining trend. This is caused by generally low economic performance and lack of competitiveness in different sectors in Croatia in comparison with rest of the EU. Employment in the Programme area is facing several problems. First of all alarming rate of youth unemployment, but also severe loss of jobs in some, traditionally strong sectors such as construction. There is a rising issue in the Programme area with long-term unemployment caused by inadequate education background and skills unsuitable for the labour market needs, insufficient working experience and lack of motivation after long-term absence from the labour market, as well as low professional mobility and few incentives to participate in training and lifelong learning programmes.

Life expectancy at birth in both countries, as well as at EU level is more or less stable, with minimum growth.

An important challenge for the programme area in the upcoming period is represented by the consequences of the relatively high negative natural growth. The natural growth is showing negative values in all programme regions, with higher values in Ličko-senjska (-52.49%), Karlovačka (-43.27%), Molise (-36.28%) or Friuli Venezia Giulia (-33.85%). This phenomenon is partially compensated by the in/out migration, but it generates a set of new societal challenges (e.g. ageing), which will

require innovation related services and instruments to be addressed in a proper manner.

Both countries are above EU28 when it comes to risk of poverty. High unemployment and low labour market participation, together with raising costs of living, have increased the share of population living at risk of poverty or social exclusion both in Italy and in Croatia in 2012.

Education at all levels, but especially higher education and professional training are becoming more important in global economy, where all countries that want to move up their economies towards more competitive and sustainable systems need to invest in their future workers.

Both countries, as well as the whole Programme area are well covered with network of educational institutions at all levels; especially Italy, has long tradition of quality education and accessibility of educational institutions. However, there are some important problems to manage, such as lack of resources for institutions modernisation, insufficient number of educational staff, lack of practical courses and internships as well as poor cooperation with business and other sectors. EU28 in time period 2009–2012 had a trend of increase in number of students, with a rank of 3,25%, Croatia 13,08%, while Italy has recorded a decline of 4.27%.

Both countries have low level of adults attending lifelong learning educational or professional training programmes, even though they are available in both countries at all levels, both public (free of charge though employment services and other publicly financed programmes) and commercial (with different charging fees depending on the type of the programme and its complexity. When comparing the two countries Croatian share is much lower than Italian one.

S.W.O.T. ANALYSIS

Smart Growth

Strenghts

- Existing institutional setup for R&D
- Strong assets in identified blue economy sector
- Tradition and experience in shipbuilding

- Outstanding tradition and experience in fisheries with positive impact on national exports and employment in local communities
- SME sector density

Weaknesses

- Low level of competitiveness on international markets especially in traditional sectors and decrease of GDP
- Programme area GDP at 67% of EU28 with Croatian area at 42% of Italian
- GERD below EU28 (2.07%): Italy – 1.27%, Croatia 0.75%, with high disparities among the regions
- No. of EPO patents below EU28, especially low on Croatian side
- Weak cooperation of scientific and real sector, especially SMEs

Opportunities

- EU policies which fund cooperation between R&D institution and SMEs
- Available innovative sustainable technologies for the fishing sector
- Role of ICT in SME innovation, e-business growth, improved access to information and education in remote/rural areas.
- Aquaculture and shellfish farming as growing sectors
- Blue economy recognized by the EU policies and strategies as a key sector

Threats

- Continuous economic crisis (also affecting manufacturing)
- Difficulties SMEs are facing in accessing financial instruments such as credits
- Lack of interest of entrepreneurs for R&D and innovation
- Continuous lack of investment of SMEs in innovation in the Programme area
- Continuous lack of competitiveness of companies in shipbuilding
- Competition among stakeholders of the coastal area in key sectors as fishing, tourism
- Global competition on traditional manufacturing sectors and on tourism sectors

Needs and challenges

- There is a need to increase the level of competitiveness on international markets of SMEs by fostering sound mechanisms of innovation and creating a critical mass through cooperation

- The cooperation between the innovation players in fields of relevant sectors of the blue economy shall be enhanced
- There is a need to secure availability of high-skilled human resources in key economic sectors to strengthen development patterns
- There is a need to facilitate involvement of SMEs in international networks for research
- The area shows evident potentials for blue growth

Sustainable Growth

Strengths

- Favourable conditions for RES from solar and wind energy
- NATURA 2000 sites and other protected areas potential for tourism
- Rich cultural heritage as a potential for territorial development and growth
- Good quality of air and water
- Adriatic sea offers good quality of water in relation to Mediterranean context
- Programme area/both countries participating in common and globally uniform ballast water management (BWM) approach

Weaknesses

- Lack of low carbon development strategies and actions aiming at Kyoto protocol targets
- Dependence on energy sources from abroad/import of gas and oil
- Limited funding and unused capacities of RES
- Existing of various forms of pollution and litter in the Adriatic Sea
- Seasonality of tourism and lack of sustainable solutions in some fields of touristic activity
- Inefficient and fragmented waste management system
- Traffic congestions in some parts of the area caused by seasonal tourism flows

Opportunities

- Further preservation of biodiversity
- Potential for joint capacity in management of coastal and marine resources
- Joint risk management and prevention of damage caused by natural disasters

Threats

- Continuous pollution of the Adriatic Sea due to increased anthropic pressure
- Growing trend of climate change effects and natural disasters in the Programme area
- Increase of the Adriatic sea level forecasted

Needs and challenges

- Common characteristics of cultural heritage and shared marine natural resources can support a higher quality tourism if tackled in a sustainable way
- Coastal and marine resources represent assets that shall be tackled by joint actions
- Adaptive capacity shall be improved due to the higher impact of climate change, especially in the vulnerable marine and coastal parts of the cooperation area
- Adriatic basin calls for cross border actions in the field of risk prevention and management
- There is a need to decrease road traffic congestion in urban areas especially along the coast, pressured by seasonal tourism
- There is potential for more systemic, integrated and efficient maritime connections from/to the eligible territories and between them
- There is potential for additional cooperation between ports ensuring integrated information (ICT) and ticketing (passengers transport)

Inclusive Growth

Strenghts

- Tradition of mobility of workforce Croatia – Italy in Programme area
- Strong network of educational institutions including universities
- Good accessibility to education and training
- Good experiences and long tradition of cooperation among local and regional governments in Programme area

Weaknesses

- High unemployment rates in Programme territory – higher in Croatia

- Youth as especially vulnerable unemployed group
- Education system does not match labour market needs
- Low rates of workforce with higher education
- Low level of adults attending LLL
- Increased % of population in risk of poverty in Programme area

Opportunities

- Good opportunities for and tradition in self-employment, especially in Italy
- Improved mobility of workforce in programme area
- Specialization of workforce for specific business niches in Blue Growth

Threats

- Growing trend in number of students exiting education process in Italy despite the fact that unemployment rates by education attainment are showing highest employment rates among persons with high/higher education
- Continuous growth of unemployed due to economic crisis
- Lack of responsiveness of educational sector to change and modernization
- Continuous growth of population in risk of poverty

Needs and challenges

- There is a need to concentrate efforts for raising employment rate of the cooperation area
- There is potential for an increase of the specialization of the workforce in specific sectors of the blue economy in which the area has competitive advantage
- There is a need to support “brain circulation” amongst research institutes/academies and companies as a condition for developing cooperation in the field of blue technologies
- Specific training to human resources employed in the tourism sector can increase the quality of services offered raising awareness of the added value of a sustainable approach

Thematic scope of the programme

The choice of Thematic Objectives (TO) and Investment Priorities (IP) as set out in Section 2 has been carried out using the following criteria:

1. the **relevance** of the TOs to the territorial needs and most important challenges identified under each of the overarching objectives of the EU2020 Strategy (territorial and statistical evidence), within the area taken into consideration;
2. the **context**, namely the regulatory framework offered and the added value of adopting a CB approach for the implementation of actions under the TO, to address issues identified under the objective in the given financial envelope;
3. the **past** lessons drawn from the IPA CBC, SEE and MED programmes activities and positive results;
4. the opportunity of **differentiating/characterising** the Programme from the other European Territorial Cooperation instruments overlapping the area, taking into account their respective transnational or cross-border features and financial endowments, with a view to maximizing synergies and avoiding duplications.

In the period of 2014–2020, the Italy – Croatia Programme will focus on the following Thematic Objectives (TO) and Investment Priorities (IP):

TO 1 – Strengthening research, technological development and innovation

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

TO 5 – Promoting climate change adaptation, risk prevention and management

- IP 5 (a) – supporting investment for adaptation to climate change, including ecosystem-based approaches
- IP 5 (b) – promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems

TO 6 – Preserving and protecting the environment and promoting resource efficiency

- IP 6 (c) – conserving, protecting, promoting and developing natural and cultural heritage

- IP 6 (d) – protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
- IP 6 (f) – promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution

TO 7 – Promoting sustainable transport and removing bottlenecks in key network infrastructures

- IP 7 (c) – developing and improving environment-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

Cross-cutting issues:

Additionally, in order to maintain a strong focus on thematic concentration and limit the number of IPs, complementarities and potential synergies between IPs under different TOs have been widely explored and used:

1. **Eco-innovation, social innovation** (to meet needs related to societal changes);
2. **ICT** (development of ICT applications and services to support social cohesion and economic competitiveness, governance processes and networking, including e-health);
3. **SME** (Knowledge transfer and sharing experiences to foster the internationalization of clusters and SMEs);
4. **Low carbon** (support to innovative models fostering energy efficiency and use of renewables to be introduced in development strategies);
5. **Education** (exchange of know-how and fostering the growth of human resources competencies and skills).

Horizontal criteria:

In addition to the thematic orientation, the Programme addresses horizontal thematic aspects highlighted in EU regulations: sustainable development, equal opportunities and non-discrimination, equality between men and women. These horizontal principles are further described in Section 8.

Strategic orientation of the Programme

The central location of the sea basin (affecting the transportation patterns and socio-economic processes in the Programme area), the maritime character of historical trade relations, the joint asset of natural areas and cultural heritage, offering a unique competitive advantage, the shared importance of economy branches exploiting the rich natural sea based resources are illustrative fields point at an essential role of the blue and green economy for the sustainable regional growth in the cooperation area.

The potential of cooperative networks in the limited but existing area's knowledge-intensive services and research-intensive products may be better deployed for the prosperity of blue and green economy sectors.

The already established networks and fora, furthered by the development and implementation of the EUSAIR are the suitable cooperation platforms for improving the environmental conditions of a very sensible area. Monitoring and planning activities aimed at tackling specific effects of climate change, preventing selected risks, managing jointly natural and man caused disasters, protecting ecosystems, restoring habitats as well as reducing litter and pollution can be better addressed by a cross border approach.

More efficient connections between the two shores of the Adriatic could as well improve the exchange of people and goods while reducing the environmental impacts of transport systems.

These issues are at the core of the strategic intervention by the Italy – Croatia Programme, driven by the overall objective: **"To increase the prosperity and the blue growth potential of the area by stimulating cross-border partnerships able to achieve tangible changes"**.

The cross border approach shows its added value not only by the promotion of a joint implementation of actions focusing on shared elements. The maritime border calls for stronger efforts in the joint development of the operations, capitalizing past experiences carried out together and taking advantage of the numerous similarities the territorial context of the area is offering. Also in view to strengthen these elements, there is a commitment of the National Authorities in agreement with the MA to ensure detailed analysis of the pre-existing strategies and instruments present in the cooperation area (especially in relation to smart specialisation areas identified by the countries/ regions participating in the programme as well as RBMPs and FRMPs) before the launch of the call for proposals.

By directing the interventions to blue growth development through joint cross-border actions between the Programme regions, the Programme will:

- maximise its impact towards tangible results;
- show complementarities to other EU-funded interventions that aim to reinforce economic, social and territorial cohesion of the Programme regions;
- meet the priorities of smart, sustainable and inclusive growth of the Europe 2020 Strategy;
- support the implementation of the EUSAIR and the Integrated Maritime Policy;
- continue and strengthen collaboration between institutions, organisations and networks facilitated by the SEE, MED and IPA CBC 2007–2013.

"Blue Growth" is part of the Europe 2020 strategy and addresses the economic potential of the oceans, seas and coasts for sustainable growth and jobs, to be developed in harmony with the marine environment and through cooperation between public and private partners, including SMEs. With reference to the European Commission's Communication on 'Blue Growth – Opportunities for Marine and Maritime Sustainable Growth', and taken into account of the needs and of the priorities identified by Italy and Croatia amongst the themes defined in the EUSAIR Action Plan, the relevant "blue economy" sectors for the cooperation area are related to:

- Blue energy – offshore wind power, tidal and wave power;
- Aquaculture and sustainable fisheries;
- Maritime and coastal tourism;
- Sea shipping;
- Marine biotechnology;
- Desalination;
- Coastal protection;
- Monitoring and surveillance.

The two dimensions are defined as follows:

- "maritime" is defined as human activities which take place in or on the sea area of a programme, interest coastlines and are influenced by the sea area of the programme or use/depend upon the natural resources found within the sea area of a Programme. For example:

- shipping, coastal tourism, shoreline and sea recreation, fishing, etc.
- “marine” relates to the natural features and resources of the sea within a Programme area. For example: habitats and ecosystems, biodiversity (wildlife and marine species), estuaries, reefs, etc.

Applied to the most relevant sectors for the Italy – Croatia area, the blue growth context is, consequently, visible in the profile of the chosen thematic objectives and intervention priorities – translated to the Programme priority axes and specific objectives.

The challenge for the Programme is that maritime issues are not the subject of a specific TO but rather should be seen as a cross-cutting issue when considering the 11 TOs. This creates the challenge of interpreting, prioritising and integrating the maritime dimension in the choice of TOs for this programme.

Priority axes and specific objectives of the Programme

The Italy – Croatia Programme is composed of four priority axes responding to the identified key assets and challenges. They correlate with the thematic objectives under ERDF and – at the level of specific objectives – with the investment priorities.

PRIORITY AXIS 1: Blue Innovation

- Specific Objective 1.1: Enhance the framework conditions for innovation in the relevant sectors of the blue economy within the cooperation area

PRIORITY AXIS 2: Safety and resilience

- Specific Objective 2.1: Improve the climate change monitoring and planning of adaptation measures tackling specific effects, in the cooperation area
- Specific Objective 2.2: Increase the safety of the Programme area from natural and man-made disaster

PRIORITY AXIS 3: Environment and cultural heritage

- Specific Objective 3.1: Make natural and cultural heritage a leverage for sustainable and more balanced territorial development
- Specific Objective 3.2: Contribute to protect and restore biodiversity
- Specific Objective 3.3: Improve the environmental quality conditions of the sea and coastal area by use of sustainable and innovative technologies and approaches

PRIORITY AXIS 4: Maritime transport

- Specific Objective 4.1: Improve the quality, safety and environmental sustainability of marine and coastal transport services and nodes by promoting multimodality in the programme area

More detailed elaboration of each priority axis is laid down in section 2.

1.1.2 Justification for the choice of thematic objectives and corresponding investment priorities, having regard to the Common Strategic Framework, 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 objectives and investment priorities

Selected thematic objective	Selected investment priority	Justification for selection
01 - Strengthening research, technological development and innovation	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing	<ul style="list-style-type: none"> • Selection of TO strongly supports Europe 2020 objective of Smart Growth and it is fully compatible with EUSAIR and other EU macro-regional strategies • Both countries lag behind EU28 in R&D expenditure as well as in number of patent applications to EPO. That shows lack of competitiveness, especially for SMEs • Need to improve SMEs competitiveness enhancing innovation in specific business niches (tourism, creative industries, fisheries and

Selected thematic objective	Selected investment priority	Justification for selection
	capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	<p>aquaculture)</p> <ul style="list-style-type: none"> • Due to maritime orientation of the programme, investment in Blue Growth through blue economy, integrated management and innovation is crucial. Several assets by tradition and experience in shipbuilding that need to be exploited for overcoming the structural problems and lack of competitiveness • Need for skills development of human resources in innovative sectors identified in the analysis (sustainable tourism, aquaculture, and shipbuilding, creative industries) to meet SMEs demand and contribute to strengthening of regional competitiveness
05 - Promoting climate change adaptation, risk prevention and management	5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches	<ul style="list-style-type: none"> • Selection of this TO strongly supports Europe 2020 objective of “Sustainable Growth” and is in line with EUSAIR and other EU macro regional strategies relevant for the area in order to maximize its effects. • Adriatic coastal area has vulnerable ecosystem that is very receptive to negative effects of the climate change. Therefore, joint measures should be initiated and funded to raise awareness in the cross-border region, promote protection and implement adaptation measures

Selected thematic objective	Selected investment priority	Justification for selection
05 – Promoting climate change adaptation, risk prevention and management	5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	<ul style="list-style-type: none"> • There is a need to improve monitoring measures for prevention of damage caused by natural disasters such as erosion, wild fires, droughts and floods • High concentration of human activities carried out in the Adriatic basin call for stronger efforts in preventing risk
06 – Preserving and protecting the environment and promoting resource efficiency	6c – Conserving, protecting, promoting and developing natural and cultural heritage	<ul style="list-style-type: none"> • Selection of this TO strongly supports Europe 2020 objective of “Sustainable Growth” and is in line with EUSAIR and other EU macro regional strategies relevant for the area in order to maximize its effects • Due to its long lasting traditions and dynamic history, the Programme area represents a culturally rich and worldwide valued territory. There are 29 UNESCO World Heritage protected sites that present great potential for promotion of cultural and natural heritage. • The Programme area is very rich in cultural and environmental resources that require proper conservation. It is at the same time important to protect and further develop those resources in order to preserve its values and promote it for tourism. • The Programme area has a strong potential to develop joint activities to improve visiting and living environment by conserving, protecting and developing natural and

Selected thematic objective	Selected investment priority	Justification for selection
		cultural resources.
06 – Preserving and protecting the environment and promoting resource efficiency	6d – Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	<ul style="list-style-type: none"> • Since an important part of the Adriatic Sea is beyond national jurisdiction limits, cross-border cooperation is vital in order to ensure an efficient protection of marine biodiversity • Potential of maritime spatial planning and integrated coastal zone management to offer natural co-operation challenges for securing sustainable use of marine and coastal ecosystems and resources.
06 – Preserving and protecting the environment and promoting resource efficiency	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution	<ul style="list-style-type: none"> • Anthropogenic polluting activities of the marine environment caused primarily by human activities require coordinated interventions, which must find new, innovative methods due to the increased human activity in the Programme area • Potential of developing and using new innovative methods and technologies with a direct impact to reduce inflows of hazardous substances to the Adriatic basin
07 – Promoting sustainable transport and removing bottlenecks in key network infrastructures	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and	<ul style="list-style-type: none"> • Selection of this TO strongly supports Europe 2020 objective of “Sustainable Growth” and is in line with EUSAIR and other EU macro regional strategies relevant for the area in order to maximize its effects • There is a strong need to

Selected thematic objective	Selected investment priority	Justification for selection
	local mobility	<p>reduce the environmental impact of transport activities by increasing multimodality and shift to most appropriate environmental friendly modes of transport</p> <ul style="list-style-type: none"> • Connectivity between the two sides of the sea is not sufficient and as such cannot contribute to stronger cooperation in the field of economic activities, labour mobility or exploitation of education opportunities in the Programme area. Therefore it is important to improve accessibility of the area by better data sharing and coordination • Need to reinforce the ICT application for making open and easier the access to transport info and implement all the intermodal opportunities for the passengers mobility, while investing on ICT management for all freight transport activities

1.2 Justification for the financial allocation

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

The overall Programme budget amounts to EUR 236.890.849, including European Regional Development Fund (ERDF) (EUR 201.357.220) and national contributions (EUR 35.533.629), as described in Section 3.

The financial allocation to the selected TO reflects:

1. The coherence with the needs of the Member States;
2. The opinions expressed during the consultation rounds;

3. The expression of the strategic choices of the stakeholders;
4. The estimated financial size of the projects foreseen in each Priority Axis (PA) axis based on the experience of the 2007–2013 period.

The funds allocated to Priority Axes 1, 2, 3 and 4 (corresponding to the selected Thematic Objectives 1, 5, 6 and 7) amount to 94% of the Programme financial resources; the remaining 6% is allocated to Technical Assistance. The Programme respects therefore the thematic concentration requirements (Art. 6 of the Regulation (EU) No 1299/2013), assigning at least 80% of the Programme resources on up to 4 thematic objectives.

When estimating financial allocations per TO, an average budget of 1,5 MEUR ERDF per standard project and 6 MEUR for strategic ones, was assumed. The financial allocation per PA is as follows:

1. PA 1 (TO 1): the planned budget allocation (Union funds) to PA 1 is EUR 24.162.867 corresponding to 12% of the total. The financial allocation to this Priority is in line with the emphasis placed on innovation, technology transfer and entrepreneurship by the two Member States and the consultations undertaken during the programming process.
2. PA 2 (TO 5): the planned budget allocation (Union funds) to PA 2 is EUR 51.346.091 corresponding to 25,5% of the total. The financial allocation to this Priority is in line with the emphasis placed on climate change adaptation and risk management by the two Member States and the consultations undertaken during the programming process.
3. PA 3 (TO 6): the planned budget allocation (Union funds) to PA 3 is EUR 70.475.027 corresponding to 35%. This financial allocation reflects the expected size of actions relating to the valorisation of cultural and natural heritage and the needs for increasing awareness, harmonising management approaches, facilitating knowledge transfer and fostering the use of innovative approaches in the field of environmental protection.
4. PA 4 (TO 7): the planned budget allocation (Union funds) to PA 4 is EUR 43.291.802 corresponding to 21,5%. The financial allocation to this Priority is in line with the emphasis placed on connectivity, efficient and environmental friendly mobility and transport. It also reflects the relative low demand in this thematic orientation expressed both during the 2007–2013 period but as well the possibility of implementing small-scale infrastructures.

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

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific indicator
		ERDF	ENI (where applicable)	IPA (where applicable)		
PA 1	24,162,867.00	12.00%	0.00%	0.00%	<p>□01 – Strengthening research, technological development and innovation</p> <p>□1b – Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies</p> <p>□1.1 – Enhance the framework conditions for innovation in the relevant sectors of the blue economy within the cooperation area</p>	[1.1R]
PA 2	51,346,091.00	25.50%	0.00%	0.00%	<p>□05 – Promoting climate change adaptation, risk prevention and management</p> <p>□5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches</p> <p>□2.1 – Improve the climate change monitoring and planning of adaptation measures tackling specific effects, in the cooperation area</p> <p>□5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems</p> <p>□2.2 – Increase the safety of the Programme area from natural and man-made disaster</p>	[2.1R, 2.2R]
PA 3	70,475,027.00	35.00%	0.00%	0.00%	<p>□06 – Preserving and protecting the environment and promoting resource efficiency</p> <p>□6c – Conserving, protecting, promoting and developing natural and cultural heritage</p> <p>□3.1 – Make natural and cultural heritage a leverage for sustainable and more balanced territorial development</p> <p>□6d – Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure</p> <p>□3.2 – Contribute to protect and restore biodiversity</p> <p>□6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution</p> <p>□3.3 – Improve the environmental quality conditions of the sea and coastal area by use of sustainable and innovative technologies and approaches</p>	[3.1R, 3.2R, 3.3R]
PA 4	43,291,802.00	21.50%	0.00%	0.00%	<p>□07 – Promoting sustainable transport and removing bottlenecks in key network infrastructures</p> <p>□7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</p> <p>□4.1 – Improve the quality, safety and environmental sustainability of marine and coastal transport services and nodes by promoting multimodality in the Programme area</p>	[4.1R]
PA 5	12,081,433.00	6.00%	0.00%	0.00%	5.1 – To assure efficiency and effectiveness in the management and implementation of the Cooperation Programme	[-, --]

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific indicator
		ERDF	ENI (where applicable)	IPA (where applicable)		
					5.2 - To assure the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the Programme implementation	

2. PRIORITY AXES

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

2.A.1 Priority axis

ID of the priority axis	PA 1
Title of the priority axis	BLUE INNOVATION

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

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

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

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

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

ID of the specific objective	1.1
Title of the specific objective	Enhance the framework conditions for innovation in the relevant sectors of the blue economy within the cooperation area

ID of the specific objective	1.1
Title of the specific objective	Enhance the framework conditions for innovation in the relevant sectors of the blue economy within the cooperation area
Results that the Member States seek to achieve with Union support	<p>The SO 1.1 aims at improving the performance of the programme area in the field of innovation by establishing and developing mechanisms which contribute to a better exploitation of the existing potential.</p> <p>As presented in the territorial analysis, the area is characterized by a strong presence of actors operating in the different sectors of the blue economy. Strengthening these sectors' competitiveness in an environmentally sustainable way, through providing access to innovative processes and technologies, will ensure a competitive advantage for the economy of the area, and will create the premises for increasing employment and creating good quality jobs. The relevant sectors of the blue economy targeted by the programme are: blue energy, aquaculture and sustainable fisheries, maritime and coastal tourism, sea shipping, marine biotechnology, desalination, coastal protection, monitoring and surveillance.</p> <p>The main change sought is to increase the effectiveness of the innovation activities in the relevant fields of blue economy, by enhancing the transfer of knowledge within the cooperation area between the enterprises, R&D centres, higher education and the public sector, thus creating the premises for the commercialization of the research results and broaden the access to knowledge.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		1.1 - Enhance the framework conditions for innovation in the relevant sectors of the blue economy within the cooperation area					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.1R	Number of EPO applications	Number	673.28	2012	680.00	EUROSTAT – Patent applications to the EPO by priority year by NUTS 3 regions (http://ec.europa.eu/eurostat/en/data/database)	2018 – 2020 – 2023

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

2.A.6.1 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 TTT

Investment priority	1b – Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<p>According to the specific objective 1.1 within Investment Priority 1(b), the following types of actions will be implemented (the listed actions are not an exhaustive list and may be integrated with others aiming at contributing to the achievement of selected objectives and results):</p> <p>Types of Actions</p> <ul style="list-style-type: none">• Joint projects and actions aimed at creating platforms, networks and at supporting exchange of good practices in order to enhance the knowledge transfer and capitalization of achieved results in the field of blue economy• Actions aimed at cluster cooperation, joint pilot initiatives in order to boost the creation of marketable innovative processes and products, in the field of blue economy <p>Examples of Actions</p> <ul style="list-style-type: none">• Joint development of cross-border supply chains by investing in research and innovation;• Establishment of cross-border clusters in complementary areas of smart specialization;	

Investment priority	1b – Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
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- Joint development of links and synergies between enterprises, R&D centres, education and the public sector, which shall facilitate the transfer of knowledge between them, shall disseminate the results of previous initiatives in the field of R&D, and shall facilitate the development of new initiatives in this field;
- Joint development of human capital, increasing skills regarding novel technologies (e.g. eco-innovation, low-carbon technologies, ICT, key enabling technologies, etc.), common development of innovative products, services or processes particularly for SMEs;
- Joint design / testing of innovative processes in the relevant sectors of the blue economy including aquaculture and sustainable fisheries with special reference to species, management techniques and breeding, fish welfare and disease control, seafood processing also to reduce the environmental impact of these activities;
- Joint development and piloting of eco-innovative tools and processes in the blue economy relevant sectors;
- joint development and piloting of social innovation actions in the blue economy relevant sectors including awareness raising actions (i.e. e-health, education, digital divide, start up, labour market change, intellectual property rights);
- Joint actions aimed at improving the access to financing for R&D activities through trainings, information, awareness raising campaigns related to different opportunities.

Territory

The entire programme area is eligible for support under this Priority Axis.

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

- General public;
- Those groups listed below under the caption “Indicative types of beneficiaries”.

Indicative types of beneficiaries

- local, regional and national public authorities,
- regional and local development agencies, chambers of commerce and other business support organisations,
- SMEs,
- universities, technology transfer institutions, research institutions
- centers of R&D excellence
- NGOs, associations, innovation agencies, business incubators, cluster management bodies and networks
- education and training organisations as well as social partners and labor-market institutions

2.A.6.2 Guiding principles for the selection of operations

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

During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this IP:

- The programme will support operations having a clear focus on the implementation of joint Cross Border actions demonstrating the added value of the territorial cooperation. Operations should follow a result-oriented approach, putting emphasis on the development of concrete, measurable and visible outputs and results.
- The programme will award the innovative dimension of projects and their real effect in terms of concrete application and portability of results on targeted socio-economic reality.
- Attention will be given to project supporting eco-efficiency tools and solutions.
- Projects related to aquaculture must take into consideration the requirements of Marine Strategy Directive (2008/56/EC) ensuring that the existing and future aquaculture development (both freshwaters and marine coastal) will not jeopardise the achievement of good ecological and chemical status, as required under the Directive.
- The programme will prioritize projects which are complementary with the EUSAIR and its Action Plan, Pillars 1 and 3.
- Preference will be given for projects that contribute to one or several of the national or regional smart specialization areas of the regions participating in the programme.
- All projects shall respect the principles of environmental sustainability and be in line with the relevant environmental legislation of the two countries and on the EU level. More specifically, wherever possible and relevant, climate protection (including reduction of green-house gas (GHG) emission) and climate adaptation measures shall be applied by the projects, especially actions aimed at reduction of PM and NO₂, which in contrast to CO₂, are directly harmful to the health of citizens, ecosystems, crops and buildings.
- For projects involving building construction and renovation, cost-optimal levels of energy performance according to Directive 2010/31/EU are required, and projects going beyond cost-optimal levels are favored. For projects involving purchasing products, compliance with the requirements set out in Annex III of the Energy Efficiency Directive

Investment priority	1b – Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
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(2012/27/EU) is requested.

Priority will be given to projects including elements of fostering the inclusion of disadvantaged groups (including long-term unemployed, older workers, drop-outs and underqualified, people with disabilities, ethnic minorities, Roma, people with a migration background and people living in deep poverty) and gender mainstreaming as set out in the EQUAL Guide on Gender Mainstreaming.

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

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

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

Investment priority	1b – Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
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2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		1b – Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO01	Productive investment: Number of enterprises receiving support	Enterprises	36.00	Monitoring System	2018 – 2020 – 2022
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	6.00	Monitoring System	2018 – 2020 – 2022
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	30.00	Monitoring System	2018 – 2020 – 2022
CO42	Productive investment: Number of research institutions participating in cross-border, transnational or interregional research projects	Organisations	10.00	Monitoring System	2018 – 2020 – 2022
CO44	Labour Market and Training: Number of participants in joint local employment initiatives and joint training	Persons	120.00	Monitoring System	2018 – 2020 – 2022

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		PA 1 – BLUE INNOVATION					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
1PF6	F	Financial	EUR	2.842.690,3	28,426,903.00	Financial Monitoring	
1PF7	O	Number of enterprises receiving non-financial support	Enterprises	0	30.00	Monitoring/ project progress reports	
1PF8	O	Number of research institutions participating in cross-border, transnational or interregional	Organizations	0	10.00	Monitoring/ Project	

Priority axis		PA 1 - BLUE INNOVATION					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
		research projects				progress reports	
1PF9	I	Number of enterprises receiving non-financial support involved in the funded operations	Enterprises	10	30.00	Monitoring/ project progress reports	
1FP10	I	Number of cross-border, trans-national or interregional research projects started	Projects	2	5.00	Monitoring	

Additional qualitative information on the establishment of the performance framework

2.A.8 Categories of intervention

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

Tables 6–9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	PA 1 - BLUE INNOVATION
Code	Amount (€)
056. Investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities	3,624,430.90
060. Research and innovation activities in public research centres and centres of competence including networking	1,449,771.96
061. Research and innovation activities in private research centres including networking	1,449,771.96
062. Technology transfer and university-enterprise cooperation primarily benefiting SMEs	1,691,

Priority axis	PA 1 - BLUE INNOVATION
	400.62
063. Cluster support and business networks primarily benefiting SMEs	1,208,143.30
064. Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation)	3,624,429.90
065. Research and innovation infrastructure, processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and on resilience to climate change	1,449,771.96
066. Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	2,416,286.60
067. SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	2,416,286.60
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	4,832,573.20

Table 7: Dimension 2 Form of finance

Priority axis	PA 1 - BLUE INNOVATION
Code	Amount (€)
01. Non-repayable grant	24,162,867.00

Table 8: Dimension 3 Territory type

Priority axis	PA 1 - BLUE INNOVATION
Code	Amount (€)
01. Large Urban areas (densely populated >50 000 population)	16,914,007.20
02. Small Urban areas (intermediate density >5 000 population)	7,248,859.80

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 1 - BLUE INNOVATION
Code	Amount (€)
07. Not applicable	24,162,867.00

2.A.9 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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	PA 1 - BLUE INNOVATION

2.A.1 Priority axis

ID of the priority axis	PA 2
Title of the priority axis	SAFETY AND RESILIENCE

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

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

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

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

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

ID of the specific objective	2.1
Title of the specific objective	Improve the climate change monitoring and planning of adaptation measures tackling specific effects, in the cooperation area
Results that the Member States seek to achieve with Union support	The SO 2.1 aims at improving the climate change monitoring and planning of measures for strengthening the adaptation capacity of the region while increasing the resilience of the territory including its natural environment. SO 2.1 calls for medium-term response to a long-term phenomenon.

ID of the specific objective	2.1
Title of the specific objective	Improve the climate change monitoring and planning of adaptation measures tackling specific effects, in the cooperation area
	<p>Focus will be given to actions supporting an increased preparedness for, and resilience to, climate change and associated phenomena in the cooperation area.</p> <p>The main expected effects of climate change for which this SO aims to develop the area's adaptation capacity are sea level rise, flooding (in both coastal and hinterland areas), accelerated coastal erosion, subsidence, increasing water temperatures, acidification of the marine waters, saltwater intrusion into freshwater systems, increased occurrence of heavy rainfall and severe droughts and fires.</p> <p>A more integrated approach to climate change adaptation will be developed particularly considering the added value given by cross-border cooperation. Mechanisms for the exchange of information will be improved, while coordination of adaptive actions and plans will be enhanced through harmonization of data and procedures.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		2.1 - Improve the climate change monitoring and planning of adaptation measures tackling specific effects, in the cooperation area					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.1R	Inhabitants benefiting from planning of adaptation measures	Number	7,050,052.00	2015	8,000,000.00	Targeted questionnaire elaborated by the programme	2018 - 2020 - 2023

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

2.A.6.1 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 TTT

Investment priority	5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches
<p>According to the specific objective 2.1 within Investment Priority 5(a), the following types of actions will be implemented (the listed actions are not an exhaustive list and may be integrated with others aiming at contributing to the achievement of selected objectives and results):</p> <p>Types of Actions</p> <ul style="list-style-type: none">• Actions aimed at improving the knowledge base, data and monitoring systems supporting adaptation capacity• Actions aimed at increasing the capacity for planning of adaptation measures <p>Examples of Actions</p> <ul style="list-style-type: none">• adoption of downscaled (Italy–Croatia area) climate data for better assessing local impacts and selecting adaptation strategies;• setting up of common/ integrated/ harmonized monitoring and observing systems, model, spatial data infrastructures to improve the assessment and forecast capabilities, support the planning and design phase, promote the resilience to climate change;• strengthening the capacity of public sector to develop and implement innovative services, incentives and financing schemes for increasing resilience to climate change;• elaboration of strategic planning, action plans and other instruments for climate change adaptation.	

Investment priority	5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches
Territory The entire programme area is eligible for support under this SO.	
Target groups <ul style="list-style-type: none">• General public;• Those groups listed below under the caption “Indicative types of beneficiaries”;	
Indicative types of beneficiaries <ul style="list-style-type: none">• local, regional and national public authorities and related entities;• regional and local development agencies, environmental agencies, regional associations;• NGOs;• education and training centers;• Universities and research institutes.	

Investment priority	5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches

2.A.6.2 Guiding principles for the selection of operations

Investment priority	5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches
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IP 5.a will be mainly implemented through strategic projects.

During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this IP:

- The programme will support operations having a clear focus on the implementation of joint Cross Border actions demonstrating the added value of the territorial cooperation. Operations should follow a result-oriented approach, putting emphasis on the development of concrete, measurable and visible outputs and results.
- Operations shall focus on a medium-term response to a long-term phenomenon.
- Priority will be given to projects supporting complementarities of the proposed activities with pre-existing strategies, RBMPs or instruments previously present in the cooperation area identified before the launch of the call for proposals.
- The degree of involvement of relevant partners in the proposed activities will be specifically checked;
- For projects targeting flood protection and water management activities the requirements set out in the Water Framework Directive (2000/60/EC) and River Basin Management Plans (RBMPs) & Flood Risk Management Plans (FRMP) due in 2015 under Directive 2007/60/EC on the assessment and management of flood risks (Floods Directive), is requested;
- The programme will prioritize projects with are complementary with EUSAIR and its Action Plan, Pillar 1 (topic 1.3) and Pillar 3
- For projects involving purchasing products, compliance with the requirements set out in Annex III of the Energy Efficiency Directive (2012/27/EU) is requested.

Investment priority	5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches
Priority will be given for projects that focus on marine and coastal areas.	

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

Investment priority	5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches

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

Investment priority	5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		5a – Supporting investment for adaptation to climate change, including ecosystem-based approaches			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
2.101	Climate change monitoring systems put in operation	Number	5.00	Monitoring System	2018 – 2020 – 2022
2.102	Plans of adaptation measures put in place	Number	5.00	Monitoring System	2018 – 2020 – 2022

2.A.4 Investment priority

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

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

ID of the specific objective	2.2
Title of the specific objective	Increase the safety of the Programme area from natural and man-made disaster

ID of the specific objective	2.2
Title of the specific objective	Increase the safety of the Programme area from natural and man-made disaster
Results that the Member States seek to achieve with Union support	<p>The SO 2.2 aims at improving the safety the programme area supporting the development of disaster management systems, furthering the capacity of recovery while minimising damages. SO 2.2 calls for immediate responses to sudden events.</p> <p>Focus will be given to the untapped potentials in adopting CBC approach to stimulate the development of common tools and schemes for monitoring the risks and managing the emergencies, especially in the context of the Adriatic basin.</p> <p>The main natural and man-made disasters this SO aims to tackle are floods, fire, oil spill and other marine hazards.</p> <p>Joint approaches could be adopted for the development of common monitoring strategies and a disaster management system, through strengthening administrative and technical capacities, raising awareness, educating, equipping and preparing population and rescue teams and strive towards sustainable development.</p> <p>Joint actions are also more effective when it comes to raising awareness among local authorities, businesses and the public, and stimulating and supporting them to take the measures within their capacity to properly respond to natural and man-made disasters.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		2.2 - Increase the safety of the Programme area from natural and man-made disaster					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting

Specific objective		2.2 - Increase the safety of the Programme area from natural and man-made disaster					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.2R	Inhabitants benefiting from risk management coordinated measures	Number	8,366,317.00	2015	9,000,000.00	Targeted questionnaire elaborated by the programme	2018 - 2020 - 2023

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

2.A.6.1 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 beneficiariesTTT

Investment priority	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<p>According to the specific objective 2.2 within Investment Priority 5(b), the following types of actions will be implemented (the listed actions are not an exhaustive list and may be integrated with others aiming at contributing to the achievement of selected objectives and results):</p> <p>Types of Actions</p> <ol style="list-style-type: none"> 1. Actions aimed at improving monitoring of risks 2. Activities aimed at increasing the management capacity of / prompt response to disasters <p>Examples of Actions</p> <ul style="list-style-type: none"> • establishment of better coordinated collective emergency planning and preparedness for flooding (water management, flood risk techniques, etc.) and other risks (i.e. fire, oil spill, etc.); 	

Investment priority	5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<ul style="list-style-type: none"> • joint development and implementation of awareness raising actions in the society (i.e. schools, citizen) and governance instruments; • setting up of common framework/models/tools and pilot actions to promote the reduction of environmental risks and more coordinated/ harmonized management of the emergencies; • development or improvement of existing early warning and decision-making support systems; • addressing oil spill disasters with coordinated contingency plans at cross border regional scale; • joint development of tools/methods for improvement of mapping and identification of oil spills disasters. <p>Territory</p> <p>The entire programme area is eligible for support under this Priority Axis.</p> <p>Target groups</p> <ul style="list-style-type: none"> • General public; • Those groups listed below under the caption “Indicative types of beneficiaries”. 	

Investment priority	5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<p>Indicative types of beneficiaries</p> <ul style="list-style-type: none"> • local, regional and national public authorities and related entities • regional and local development agencies, environmental agencies and regional associations • Emergency services and coast guard centres • NGOs • education and training centers • universities and research institutes. 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<p>IP 5.b will be mainly implemented through strategic projects.</p> <p>During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this IP:</p> <ul style="list-style-type: none"> • The programme will support operations having a clear focus on the implementation of joint Cross Border actions demonstrating the added value of the territorial cooperation. Operations should follow a result-oriented approach, putting emphasis on the development of concrete, measurable and visible outputs and results. • Operations shall focus on an immediate response to a sudden event. • Priority will be given to projects identifying complementarities of the proposed activities with pre-existing strategies or instruments previously present in the cooperation area. • The programme will prioritize projects with are complementary with EUSAIR and its Action Plan, Pillar 1 (topic 1.3) and Pillar 3 	

Investment priority	5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
Priority will be given for projects that focus on marine and coastal areas.	

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

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

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

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

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO20	Risk prevention and management: Population benefiting from flood protection measures	Persons	1,500,000.00	Monitoring System	2018 – 2020 – 2022
CO21	Risk prevention and management: Population benefiting from forest fire protection measures	Persons	1,000,000.00	Monitoring System	2018 – 2020 – 2022
2.204	Population benefiting from oil spills and other marine hazards protection measures	Persons	1,200,000.00	Monitoring System	2018 – 2020 – 2022
2.202	People reached by initiatives for increasing awareness	Number	100,000.00	Monitoring System	2018 – 2020 – 2022

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		PA 2 – SAFETY AND RESILIENCE					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
2FP1	F	Financial	EUR	3.020.358,3	60,407,166.00	Monitoring System	
2PF2	O	Climate change monitoring systems put in operation	Number	0	5.00	Monitoring system	
2PF3	O	Plans of adaptation measures put in place	Number	0	5.00	Monitoring system	
2PF4	O	People reached by initiatives for increasing awareness	Number	5.000,00	100,000.00	Monitoring /Project progress reports	
2PF5	I	Preparatory technical documents for putting in operation the climate change monitoring systems	Number	2	7.00	Monitoring /Project progress reports	
2PF6	I	Plans adaptation measures being drawn up	Number	2	5.00	Monitoring /Project progress reports	

Additional qualitative information on the establishment of the performance framework

2.A.8 Categories of intervention

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

Tables 6–9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	PA 2 – SAFETY AND RESILIENCE
Code	Amount (€)
087. Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	25,673,045.50
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	25,673,045.50

Table 7: Dimension 2 Form of finance

Priority axis	PA 2 – SAFETY AND RESILIENCE
Code	Amount (€)
01. Non-repayable grant	51,346,091.00

Table 8: Dimension 3 Territory type

Priority axis	PA 2 – SAFETY AND RESILIENCE
Code	Amount (€)
01. Large Urban areas (densely populated >50 000 population)	20,538,436.40
02. Small Urban areas (intermediate density >5 000 population)	20,538,436.40
03. Rural areas (thinly populated)	10,269,218.20

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 2 – SAFETY AND RESILIENCE
Code	Amount (€)
07. Not applicable	51,346,091.00

2.A.9 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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	PA 2 – SAFETY AND RESILIENCE

2.A.1 Priority axis

ID of the priority axis	PA 3
Title of the priority axis	ENVIRONMENT AND CULTURAL HERITAGE

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

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

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

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

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

ID of the specific objective	3.1
Title of the specific objective	Make natural and cultural heritage a leverage for sustainable and more balanced territorial development
Results that the Member States seek to achieve with Union support	<p>The SO 3.1 aims at reaching a higher level of sustainable economic and territorial development by exploiting the potentials of the natural assets and cultural heritage while preserving them and increasing their value.</p> <p>The right balance between conservation/protection of the widely spread environmental and landscape</p>

ID of the specific objective	3.1
Title of the specific objective	Make natural and cultural heritage a leverage for sustainable and more balanced territorial development
	<p>assets and development is one of the main challenges in the region. Specific attention is given to the valorization/preservation of a rich cultural heritage deeply permeating the area, not only in the form of historical artifacts but also traditions and folklore which link the two coasts of the Adriatic sea.</p> <p>Projects investing in natural and cultural heritage needs to be primarily aimed at the diversification of the local economy – thus developing job opportunities and well being of the population – by taking advantage of the heritage of the area in a sustainable way, protecting and enhancing it both in urban and rural contexts, particularly in areas less known or visited. This will support the shift of tourist flows from peak towards low seasons months.</p> <p>With regard to the valorization policies, a systemic approach at a cross-border level is more effective, involving all the private and public actors in the adoption of action strategies for cultural and landscape identity of the area. Long term and sustainable impacts are considered likely to be reached, on condition that foreseen actions are part of integrated economic strategies at regional, national and international level and after having carefully evaluated measures and initiatives already funded in this sector in the past. Similarly, one-off/unique or isolated projects in the areas of tourism facilities should be avoided.</p> <p>Cooperation will also stimulate innovative initiatives (ICT, creative industries, smart tools, services for target group carrying special needs, etc.) that are able to generate added value in the sustainable management of natural and cultural resources of the entire territory.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective	3.1 – Make natural and cultural heritage a leverage for sustainable and more balanced territorial development
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.1R	Seasonality in tourism in the programme area	Number	0.62	2014	0.62	Regional Statistical Agencies (baseline value = 0,622; target value = 0,621)	2018 - 2020 - 2023

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

2.A.6.1 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 TTT

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>According to the SO 3.1 within Investment Priority 6(c), the following types of actions will be implemented (the listed actions are not an exhaustive list and may be integrated with others aiming at contributing to the achievement of selected objectives and results):</p> <p>Types of Actions</p> <ul style="list-style-type: none"> • Actions aimed at increasing the value of natural and cultural heritage by developing and implementing protection and promotion measures • Actions aimed at fostering economic development by sustainable tourism or other activities based upon natural and cultural heritage protection and promotion • Actions aimed at decreasing the human pressure to natural and cultural heritage sites <p>Examples of Actions</p>	

Investment priority

6c – Conserving, protecting, promoting and developing natural and cultural heritage

- development of cross border cluster of sustainable products typical of the area;
- development of marketing/ commercialization programmes for common and sustainable Adriatic products, integrating territorial services and piloting matchmaking actions (common branding included);
- support the valorisation of rural and minor natural – cultural sites by enhancing the linkage with coastal and nautical / boat tourism;
- development / enhancement of less targeted tourism itineraries link to common thematic destinations also to reduce pressure on main sites;
- support to cooperation actions for enhancing human resources in the field of sustainable tourism, natural and cultural heritage awareness and valorisation;
- development of cooperation strategies for management of preservation and valorisation of natural and cultural heritage (also by reducing human pressure and seasonalization);
- support for the knowledge and usability of the cultural and natural heritage destinations by all types of visitors including people with disabilities, improving accessibility, information, sustainability awareness, smart use of ICT;
- protection and promotion of common cultural heritage by analysis, digitalization, archiving and data sharing (i.e. virtual museum);
- protection and promotion of old crafts and tradition (e.g. historical boats sector) by mean of training and awareness raising actions;
- enhancing the cultural heritage through research activities and restoration of quality sites for territorial development.

Territory

The entire programme area is eligible for support under this Priority Axis.

Investment priority	6c – Conserving, protecting, promoting and developing natural and cultural heritage
<p>Target groups</p> <ul style="list-style-type: none"> • General public; • Those groups listed below under the caption “Indicative types of beneficiaries” <p>Indicative types of beneficiaries</p> <ul style="list-style-type: none"> • local, regional and national public authorities; • public service providers; • cultural and natural heritage management bodies; • regional and local development agencies, enterprises (in particular SMEs within the cultural and creative industry as well as the environmental and tourism sector); • associations, regional innovation agencies; • NGOs; • education and training organisations as well as universities and research institutes 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	6c – Conserving, protecting, promoting and developing natural and cultural heritage
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IP 6.c will be mainly implemented through standard projects.

During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this IP:

- The programme will support operations having a clear focus on the implementation of joint CB actions demonstrating the added value of the territorial cooperation.
- Priority will be given to projects focusing on reducing the pressure on endangered and sensitive natural features on UNESCO and Natura 2000 sites, taking into account their conservation status and conservation objectives.
- Tourism in protected habitats, with particular reference to caves, will not be promoted unless a detailed environmental impact assessment will be performed.
- Priority will be given to project proposals fostering green certifications.
- Priority will be given to projects creating synergies in nature, cultural heritage and tourism.
- Priority will be given to projects focusing on Natura 2000 sites and sites/ areas where cultural/ natural heritage is less known or strongly affected by climate change, adverse extreme natural events, environmental degradation.
- The leverage capacity of the natural and cultural heritage valorisation will be promoted;
- The degree of involvement of relevant partners from the various sectors concerned (i.e. environment, culture, tourism- related organization) will be specifically checked;
- The programme will prioritize projects which are complementary with the EUSAIR and its Action Plan, Pillars 3 and 4
- All projects shall respect the principles of environmental sustainability and be in line with the relevant environmental legislation of the two countries and on the EU level. More specifically, wherever possible and relevant, climate protection (including reduction of green-house gas (GHG) emission) and climate adaptation measures shall be applied by the projects, especially actions aimed at reduction of PM and NO₂, which in contrast to CO₂, are directly harmful to the health of citizens, ecosystems, crops and buildings.
- For projects involving building construction and renovation, cost-optimal levels of energy performance according to Directive 2010/31/EU are required, and projects going beyond cost-optimal levels are favored. For projects involving purchasing products, compliance with the requirements set out in Annex III of the Energy Efficiency Directive (2012/27/EU) is requested.

Investment priority	6c – Conserving, protecting, promoting and developing natural and cultural heritage
<ul style="list-style-type: none"> Priority will be given to projects including elements of fostering the inclusion of disadvantaged groups (including long-term unemployed, older workers, drop-outs and underqualified, people with disabilities, ethnic minorities, Roma, people with a migration background and people living in deep poverty) and gender mainstreaming as set out in the EQUAL Guide on Gender Mainstreaming. 	

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

Investment priority	6c – Conserving, protecting, promoting and developing natural and cultural heritage

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

Investment priority	6c – Conserving, protecting, promoting and developing natural and cultural heritage

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		6c – Conserving, protecting, promoting and developing natural and cultural heritage				
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting	
3.102	Actors involved in actions aimed at promoting natural and cultural heritage (including typical products, joint branding and tourism)	Number	40.00	Monitoring System	2018 – 2020 – 2022	
3.103	Natural and cultural heritage destinations with improved accessibilities (e.g.: to disabled tourists, virtual tourists etc.) in place	Number	10.00	Monitoring System	2018 – 2020 – 2022	
3.104	Beneficiaries with ecolabel/green certification	Number	10.00	Monitoring System	2018 – 2020 – 2022	
3.105	Cultural and natural heritage (tangible and intangible) promoted	Number	20.00	Monitoring System	2018 – 2020 – 2022	

2.A.4 Investment priority

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

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

ID of the specific objective	3.2
Title of the specific objective	Contribute to protect and restore biodiversity
Results that the Member States seek to achieve with Union support	<p>Integrated environmental management requires a comprehensive and holistic approach (including ecosystem-based, Maritime Spatial Planning (MSP) and Integrated Coastal Management (ICM) to natural resources, planning and management involving authorities at different levels (local, regional and national) and can offer an appropriate response if tackled at CB level.</p> <p>For the SO 3.2, the main change sought is a strengthening of the management and protection of ecosystems and the cooperation between public actors/ managers of the protected areas in order to increase environmental benefits and to provide economic and employment opportunities. Given that conservation of natural resources is not possible without an adequate knowledge of the natural systems, an increase in the systematic monitoring will be pursued by SO 3.2.</p> <p>The CBC Programme will support more intensive and effective cooperation among various local stakeholders and managers of protected sites. This includes the protection of ecosystem services and the reduction of conflicts of use, with a specific focus on river basins, coastal, marine and wetland areas. Cooperation should be improved at cross border level with more efficient share of knowledge and better synergies aiming to improve awareness and protection of fragile areas and species.</p> <p>Interventions can contribute implementing the EU Biodiversity Strategy and reaching the 2020 biodiversity target.</p>

ID of the specific objective	3.2
Title of the specific objective	Contribute to protect and restore biodiversity

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		3.2 - Contribute to protect and restore biodiversity					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.2R	Excellent conservation status of habitat types and species of Natura 2000 sites in the programme area	Number	3,538.00	2014	3,550.00	Standard Data Form for Natura 2000 network (http://www.eea.europa.eu/data-and-maps/data/natura-6)	2018 - 2020 - 2023

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

2.A.6.1 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 TTT

Investment priority	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>According to the specific objective 3.2 within Investment Priority 6(d), the following types of actions will be implemented (the listed actions are not an exhaustive list and may be integrated with others aiming at contributing to the achievement of selected objectives and results):</p> <p>Types of Actions</p> <ul style="list-style-type: none"> • Actions aimed at improving the knowledge base, data and monitoring systems for protecting biodiversity and ecosystems 	

Investment priority	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
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- Actions aimed at supporting the restoring of biodiversity

Examples of Actions

- development of models for species monitoring and sustainable fisheries models testing for their protection;
- analysis of feasibility for setting up CB protected marine areas;
- development of innovative models and systems for increase the marine environment knowledge also through establishment of common platform for marine research, survey habitat-biodiversity mapping, networking to gather and process data related to the sustainable development;
- development of tools for integrated management of the sea, coastal and river environment and of cross-border natural resources (i.e. coordinated Maritime Spatial Planning (MSP) and Integrated Coastal Management (ICM));
- actions aimed at reducing and preventing the environmental risk of alien species introduction due to the ballast water discharge;
- joint piloting of restoration actions for specific endangered species in the Adriatic basin;
- joint development of tools/ methods for degraded, damaged, destroyed habitats restoration (coastal dunes, etc.)

Territory

The entire programme area is eligible for support under this SO.

Investment priority	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
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Target groups

- General public;
- Those groups listed below under the caption “Indicative types of beneficiaries”.

Indicative types of beneficiaries

- local, regional and national public authorities
- protected areas/ natural heritage management bodies;
- regional and local development agencies;
- associations;
- NGOs;
- education and training organizations as well as universities and research institutes

2.A.6.2 Guiding principles for the selection of operations

Investment priority	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
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IP 6.d will be implemented by both strategic and standard projects.

Investment priority	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
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During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this IP:

- The programme will support operations having a clear focus on the implementation of joint CB actions demonstrating the added value of the territorial cooperation.
- When selecting operations related to sustainable tourism Natura 2000 sites of European importance, priority must be given to management actions reducing the pressure on endangered and sensitive natural features taking into account their conservation status and conservation objectives.
- The programme will support the protection of ecosystem services and the reduction of conflict of use, with a specific focus on river basins, coastal, marine and wetland areas.
- Depending on the sector addressed, operations should meet the requirements of the Marine Strategy Framework Directive 2008/56/CE, Water Framework Directive and the relevant River Basin Management Plans, but also be in coherence with the Common Fisheries Policy and Birds and Habitat Directive.
- For projects targeting water management activities the consistency with the requirements set out in the River Basin Management Plans (RBMPs) & Flood Risk Management Plans (FRMP) due in 2015 under Directive 2007/60/EC on the assessment and management of flood risks (Floods Directive) is requested.
- The programme will prioritize projects which are complementary with the EUSAIR and its Action Plan, Pillar 1 (topic 1.3) and Pillar 3, where priority is given to increasing the knowledge on marine biodiversity, designating and improving management of marine protected areas (especially marine Natura 2000 network) and joint management of cross-border protected areas.

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

Investment priority	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
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2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6d – Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		6d – Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
3.2O1	Natural ecosystems supported in order to attain a better conservation status	Number	6.00	Monitoring System	2018 – 2020 – 2022
3.2O2	Monitoring systems and data collections for protecting biodiversity and ecosystems put in place	Number	4.00	Monitoring System	2018 – 2020 – 2022
3.2O3	Restoration actions supporting endangered species	Number	4.00	Monitoring System	2018 – 2020 – 2022
3.2O4	Integrated management systems (sea, coastal and river environment) put in place	Number	4.00	Monitoring System	2018 – 2020 – 2022

2.A.4 Investment priority

ID of the investment priority	6f
Title of the investment priority	Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution

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

ID of the specific objective	3.3
Title of the specific objective	Improve the environmental quality conditions of the sea and coastal area by use of sustainable and innovative technologies and approaches
Results that the Member States seek to achieve with Union support	The SO 3.3 aims at improving the quality of the water of the sea by using innovative technologies in waste management and treatment, as well as new integrated approaches in facing several problems, including the emerging issue of marine litter.

ID of the specific objective	3.3
Title of the specific objective	Improve the environmental quality conditions of the sea and coastal area by use of sustainable and innovative technologies and approaches
	<p>The CBC Programme will support more intensive and effective cooperation among various local stakeholders and managers responsible for sites/ activities potentially generating pollution.</p> <p>Knowledge and information exchanges on the use of new technologies for the collection, treatment and recycling of several type of waste should be supported as the improvement of conditions on one side of the border brings immediate benefits to the other side. Additionally, the introduction of new technologies in this sector could be appreciated in view of creating job opportunities and supporting youth employment and disadvantaged people inclusion. New approaches on ecosystem service concepts and requirements of the key water related EU acquis could be developed to improve planning and management of environmental problems of the marine system.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		3.3 – Improve the environmental quality conditions of the sea and coastal area by use of sustainable and innovative technologies and approaches					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.3R	Quality level of coastal bathing waters (according to the dir. 2006/7/CE)	Number	2.87	2014	2.87	European Environment Agency – Data on Bathing Water Directive (http://www.eea.europa.eu/data-and-maps/data/bathing-water-directive-status-of-bathing-water-7)	2018 – 2020 – 2023

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

2.A.6.1 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 TTT

Investment priority	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
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According to the specific objective 3.3 within Investment Priority 6(f), the following types of actions will be implemented (the listed actions are not an exhaustive list and may be integrated with others aiming at contributing to the achievement of selected objectives and results):

Types of Actions

- Developing, demonstrating and implementing small-scale innovative environmental friendly technology actions and approaches
- Innovative actions aimed at improving the knowledge on the environmental quality

Examples of Actions

- implementing innovative common spatial information systems on ecosystem components and human uses and activities
- actions aimed at using green technologies for reducing and preventing all possible kinds of pollution deriving from transport and port activities
- support cooperation among different sectors for the development of new possibilities of recycling marine litter and development of a CB strategy to assess, prevent and reduce marine litter pollution in the area
- promoting joint innovative solutions for the protection and efficient use of water resources
- pilot actions for the implementation of technologies aimed at contrasting marine debris (radar, sensor platform, managing of multispectral data, solutions to prevent marine debris)
- transfer of knowledge and exchange of experience on innovative (green) technologies solutions to improve efforts of

Investment priority	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
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different actors in protecting the water, air and soil, contingency planning and promoting resources efficiency

Territory

The entire programme area is eligible for support under this SO.

Target groups

- General public;
- Those groups listed below under the caption “Indicative types of beneficiaries”

Indicative types of beneficiaries

- local, regional and national public authorities;
- regional and local development agencies;
- SMEs and business supporting organizations;
- associations, innovation and environmental agencies;
- NGOs;

Investment priority	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
<ul style="list-style-type: none"> • education and training organizations as well as universities and research institutes. 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
<p>IP 6.f will be implemented mainly through strategic projects.</p> <p>During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this IP:</p> <ul style="list-style-type: none"> • The programme will support operations having a clear focus on the implementation of joint CB actions demonstrating the added value of the territorial cooperation; • Projects shall ensure coherence and synergy with ERDF/EARFD/EMFF regional and national programmes and alignment with the relevant regional/local plans. • For projects targeting water related activities the requirements set out in the Water Framework Directive (2000/60/EC) is requested while being in coherence with the Common Fisheries Policy , they have to meet the requirements of the Water Framework Directive and the relevant River Basin Management Plans; • The programme will prioritize projects with are complementary with EUSAIR and its Action Plan, Pillar 1 (topics 1.1 and 1.3) and Pillar 3; • Priority will be given to projects focusing on the Adriatic basin, meaning the marine and coastal area and all rivers converging to the sea. 	

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

Investment priority	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
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Investment priority	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
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2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
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2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
3.301	Environmental friendly technological solutions (and approaches) implemented	Number	2.00	Monitoring System	2018 – 2020 – 2022
3.303	Microplastic waste collected in marine areas	Particles	1,000,000.00	Monitoring System	2018 – 2020 – 2022

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		PA 3 – ENVIRONMENT AND CULTURAL HERITAGE					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
3PF1	F	financial	EUR	5.803.825,79	82,911,797.00	Financial monitoring	
3PF2	I	Open building sites for the improved accessibility in the selected cultural and heritage destinations	Number	5	10.00	Monitoring /Project progress	

Priority axis		PA 3 – ENVIRONMENT AND CULTURAL HERITAGE					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
						reports	
3PF5	O	Natural and cultural heritage destinations with improved accessibilities (e.g.: to disabled tourists, virtual tourists etc.) in place	Number	0	10.00	Monitoring /Project progress reports	
3PF6	O	Natural ecosystems supported in order to attain a better conservation status	Number	2	6.00	Monitoring /Project progress reports	
3PF9	I	Approved projects in order to implement environmental friendly technological solutions (and approaches)	Number	2	3.00	Monitoring/project progress reports	
3PF10	O	Cultural and natural heritage (tangible and intangible) promoted	Number	5	20.00	Monitoring/project progress reports	
3PF11	O	Environmental friendly technological solutions (and approaches) implemented	Number	0	3.00	Monitoring/project progress reports	

Additional qualitative information on the establishment of the performance framework

2.A.8 Categories of intervention

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

Tables 6–9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	PA 3 – ENVIRONMENT AND CULTURAL HERITAGE
Code	Amount (€)
075. Development and promotion of tourism services in or for SMEs	1,409,500.54
076. Development and promotion of cultural and creative assets in SMEs	4,228,501.62
077. Development and promotion of cultural and creative services in or for SMEs	1,409,500.54
084. Integrated pollution prevention and control (IPPC)	11,276,004.32
085. Protection and enhancement of biodiversity, nature protection and green infrastructure	11,980,754.59
086. Protection, restoration and sustainable use of Natura 2000 sites	10,571,254.05
090. Cycle tracks and footpaths	2,114,250.81
091. Development and promotion of the tourism potential of natural areas	9,161,753.51
092. Protection, development and promotion of public tourism assets	4,228,501.62
094. Protection, development and promotion of public cultural and heritage assets	4,228,501.62
095. Development and promotion of public cultural and heritage services	5,638,002.16

Priority axis	PA 3 - ENVIRONMENT AND CULTURAL HERITAGE
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	4,228,501.62

Table 7: Dimension 2 Form of finance

Priority axis	PA 3 - ENVIRONMENT AND CULTURAL HERITAGE
Code	Amount (€)
01. Non-repayable grant	70,475,027.00

Table 8: Dimension 3 Territory type

Priority axis	PA 3 - ENVIRONMENT AND CULTURAL HERITAGE
Code	Amount (€)
01. Large Urban areas (densely populated >50 000 population)	21,142,508.10
02. Small Urban areas (intermediate density >5 000 population)	35,237,513.50
03. Rural areas (thinly populated)	14,095,005.40

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 3 - ENVIRONMENT AND CULTURAL HERITAGE
Code	Amount (€)
07. Not applicable	70,475,027.00

2.A.9 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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	PA 3 - ENVIRONMENT AND CULTURAL HERITAGE

2.A.1 Priority axis

ID of the priority axis	PA 4
Title of the priority axis	MARITIME TRANSPORT

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

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

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

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

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

ID of the specific objective	4.1
Title of the specific objective	Improve the quality, safety and environmental sustainability of marine and coastal transport services and nodes by promoting multimodality in the Programme area
Results that the Member States seek to achieve with Union support	The SO 4.1 aims at improving the quality, safety and environmental sustainability of marine and coastal transport services. In order to achieve this change, the programme will support actions developing new traffic modalities directed towards the use of vessels using compatible energy sources (such as methane), the adoption of ICT systems to perform embarking and disembarking of passengers in vessel traffic management and implementation of e-ticket (electronic ticketing)

ID of the specific objective	4.1
Title of the specific objective	<p>Improve the quality, safety and environmental sustainability of marine and coastal transport services and nodes by promoting multimodality in the Programme area</p> <p>systems and electronic traffic management to ensure a more efficient development of traffic in the area. Efforts for enhancing the quality and the environmental sustainability of services and node will contribute to a reduction of the CO2 emissions for transport purposes.</p> <p>Beside the optimization of individual modes of transport (i.e. making them more environmentally-friendly, safe and energy efficient), the programme seeks to improve the surveillance and coordination capacity and to create the necessary framework for substantial investments, in order to meet all the challenges for a sustainable, environmental friendly and low carbon transport system.</p> <p>The SO will only support actions taking in due account the Air Quality Plans (in which transport measures play a key role) under Directive 2008/50/EC.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		4.1 - Improve the quality, safety and environmental sustainability of marine and coastal transport services and nodes by promoting multimodality in the Programme area					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4.1R	Goods transported by maritime mode	Thousand tonnes	2,445.00	2014	2,690.00	EUROSTAT - Maritime transport goods per country and main ports (http://ec.europa.eu/eurostat/web/transport/data/database) - baseline value calculated on the period 2012-2014 (annual average)	2018 - 2020 - 2023

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

2.A.6.1 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 TTT

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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According to the specific objective 4.1 within Investment Priority 7(c), the following types of actions will be implemented (the listed actions are not an exhaustive list and may be integrated with others aiming at contributing to the achievement of selected objectives and results):

Types of Actions

- Support coordination/ harmonization/ monitoring of data and systems for enhancing multimodality
- Piloting tools/ solutions for improving connectivity in the transport systems

Examples of Actions

- Promotion of short sea shipping and maritime transport services through piloting CB routes (passengers, ferry connection between ports and their connections to hinterland)
- Enhancing coordination between regional airports of the area for exploiting synergies and complementarities and promote multimodality, in order to improve their environmental performance
- Harmonization of administrative procedures and improvement of port quality management system for freight and passengers transport, ensuring connections with internal nodes and the logistic system
- Green upgrading of the logistic system linked with maritime transport sector
- Improving multimodal (rail, road, sea) transport systems through innovative solutions (ITS) including the promotion of pilot rail services in connection with ports. The investments in road infrastructure are not eligible under this specific objective.
- Promote mobility concepts for harmonizing the development of passenger services (i.e e-mobility, soft mobility, etc.)
- Support the creation of a common vessel traffic centre for monitoring the vessel traffic within the cooperation area aimed at safeguarding environment

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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Territory

The entire programme area is eligible for support under this Priority Axis.

Target groups

- General public;
- Those groups listed below under the caption “Indicative types of beneficiaries”

Indicative types of beneficiaries

- local, regional and national public authorities;
- regional development agencies;
- enterprises, transport operators including operators of multimodal logistics hubs, infrastructure providers;
- transport associations;
- regional innovation agencies;
- NGOs;
- education and training organisations as well as universities and research institutes

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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2.A.6.2 Guiding principles for the selection of operations

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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IP 7.c will be mainly implemented by strategic projects.

During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this IP:

- The programme will support operations having a clear focus on the implementation of joint CB actions demonstrating the added value of the territorial cooperation. Operations should follow a result-oriented approach putting emphasis on the development of concrete, measurable and visible outputs and results.
- Where available, actions shall contribute to the implementation of the Sustainable Urban or Regional Mobility Plans.
- The programme will prioritize projects which are complementary with the EUSAIR and its Action Plan, Pillar 2
- Priority will be given to projects focusing on marine and coastal area as well as inland connections to the coast.
- All projects shall respect the principles of environmental sustainability and be in line with the relevant environmental legislation of the two countries and on the EU level. More specifically, wherever possible and relevant, climate protection (including reduction of green-house gas (GHG) emission) and climate adaptation measures shall be applied by the projects, especially actions aimed at reduction of PM and NO₂, which in contrast to CO₂, are directly harmful to the health of citizens, ecosystems, crops and buildings.
- For projects involving building construction and renovation, cost-optimal levels of energy performance according to Directive 2010/31/EU are required, and projects going beyond cost-optimal levels are favoured. For projects involving purchasing products, compliance with the requirements set out in Annex III of the Energy Efficiency Directive (2012/27/EU) is requested.
- The actions under this Specific Objective shall contribute to the National Air Pollution Control Programmes for reaching National Emission Ceilings or emission ceilings under the Gothenburg Protocol.
- The actions related to the construction or reconstruction of the sea port infrastructure must take a due account of

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>the Water Framework Directive requirements, and in particular Article 4(7) conditions, if relevant. For any project that modifies the hydromorphological characteristics of a water body causing deterioration of the status, an appropriate analysis as required by Article 4(7) should must be carried out as early as possible in the planning process. This would entail the analysis of alternatives (better environmental options), the set-up of the necessary mitigation measures, and a justification of the importance of the project for overriding public interest.</p> <ul style="list-style-type: none"> • Actions should take due account of the Air Quality Plans (in which transport measures play a key role) under Directive 2008/50/EC. • Priority will be given to projects including elements of fostering the inclusion of disadvantaged groups (including long-term unemployed, older workers, drop-outs and underqualified, people with disabilities, ethnic minorities, Roma, people with a migration background and people living in deep poverty) and gender mainstreaming as set out in the EQUAL Guide on Gender Mainstreaming. 	

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

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

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

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority	7c – Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
4.1O1	Improved multimodal transport services	Number	5.00	Monitoring System	2018 - 2020 - 2022
4.1O2	New links established	Number	2.00	Monitoring System	2018 - 2020 - 2022
4.1O3	Harmonized services for passengers put in place	Number	4.00	Monitoring System	2018 - 2020 -2022

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		PA 4 - MARITIME TRANSPORT					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
4PF1	F	Financial	EUR	2.546.576,6	50,931,532.00	Financial monitoring	
4PF2	I	Approved projects aimed at improving multimodal transport services	Number	2	10.00	Monitoring /Project progress reports	
4PF3	I	Analyses for the harmonization services	Number	2	4.00	Monitoring /Project progress reports	
4PF4	O	Improved multimodal transport services	Number	0	5.00	Monitoring /Project progress reports	
4PF5	O	Harmonized services for passengers put in place	Number	0	4.00	Monitoring /Project progress reports	

Additional qualitative information on the establishment of the performance framework

2.A.8 Categories of intervention

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

Tables 6–9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	PA 4 – MARITIME TRANSPORT
Code	Amount (€)
036. Multimodal transport	12,987,540.60
038. Other airports	4,329,180.20
039. Seaports (TEN-T)	2,164,590.10
040. Other seaports	6,493,770.30
042. Inland waterways and ports (regional and local)	4,329,180.20
043. Clean urban transport infrastructure and promotion (including equipment and rolling stock)	6,493,770.30
044. Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	6,493,770.30

Table 7: Dimension 2 Form of finance

Priority axis	PA 4 – MARITIME TRANSPORT
Code	Amount (€)
01. Non-repayable grant	43,291,802.00

Table 8: Dimension 3 Territory type

Priority axis	PA 4 – MARITIME TRANSPORT
Code	Amount (€)
01. Large Urban areas (densely populated >50 000 population)	34,633,441.60

Priority axis	PA 4 - MARITIME TRANSPORT
Code	Amount (€)
02. Small Urban areas (intermediate density >5 000 population)	6,493,770.30
03. Rural areas (thinly populated)	2,164,590.10

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 4 - MARITIME TRANSPORT
Code	Amount (€)
07. Not applicable	43,291,802.00

2.A.9 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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	PA 4 - MARITIME TRANSPORT

2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

2.B.1 Priority axis

ID	PA 5
Title	The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.

2.B.2 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.B.3 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
5.1	To assure efficiency and effectiveness in the management and implementation of the Cooperation Programme	<p>A sound management of the CBC programme is the pre-condition for its effective implementation. The result expected within this SO is thus directly linked to the need of ensuring an adequate management and control environment of the Programme, as described in Section 5.3, guaranteeing that all programme implementation steps (including the launch of calls, contracting, monitoring of operations and programme achievements, reimbursement of expenditure, etc.) are timely and properly executed.</p> <p>Accordingly, the main expected result is to guarantee an effective and efficient implementation of the programme.</p>

2.B.4 Result indicators

Table 10: Programme-specific result indicators (by specific objective)

Priority axis		5.1 - To assure efficiency and effectiveness in the management and implementation of the Cooperation Programme					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
-	-	-			0.00		

2.B.3 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
5.2	To assure the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the Programme implementation	<p>Besides a sound Programme management, the capacity of applicants and beneficiaries to participate in the Programme, as well as the direct involvement of relevant partners, in accordance with the multi-level governance approach, as defined in Article 5 of the Regulation (EU) No 1303/2013 (i.e. competent national, regional and local bodies representing public institutions at all relevant level, socio-economic bodies and the civil society), are key aspects of its successful implementation.</p> <p>Smart running of calls for proposal and providing guidance documents for potential applicants are substantial elements for Programme's effectiveness.</p> <p>In the implementation of several past overlapping Programmes, strategic calls proved to be successful in engaging core stakeholders. Strategic projects set up a more complex procedure for identifying relevant Programme topics that have been narrowed down with the support of the Programme national and regional authorities and stakeholders, and had stricter eligibility rules in terms of objectives/results and beneficiaries.</p> <p>In the framework of this SO, the Programme will address the need to build capacity of applicants and beneficiaries to participate in operations and to reach effective results.</p> <p>Accordingly, two main results are envisaged:</p> <ul style="list-style-type: none"> • Encouraged capacity of applicants and beneficiaries to participate in the

ID	Specific objective	Results that the Member States seek to achieve with Union support
		Programme; • Strengthened involvement of relevant partners in Programme implementation.

2.B.4 Result indicators

Table 10: Programme-specific result indicators (by specific objective)

Priority axis		5.2 - To assure the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the Programme implementation					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
--	-	-			0.00		

2.B.5 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

2.B.5.1 Description of actions to be supported and their expected contribution to the specific objectives

Priority axis	PA 5 – The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.
<p>Types and examples of actions and expected contribution to the SOs:</p> <p>The following list of possible actions is only an indicative list and can be completed with other relevant actions contributing to the SOs goals.</p> <p>SO 5.1: Actions to increase in efficiency and effectiveness the management and implementation of the Programme.</p> <p>In line with Article 59 of the Regulation (EU) No 1303/2013, actions within SO 5.1 target the preparation, management, monitoring, evaluation, information and communication, networking, control and audit tasks of the programme in order to guarantee an effective and efficient implementation of the programme. Moreover, actions referring to this SO also address the reduction of the administrative burden for beneficiaries.</p> <p>Indicative actions supported under SO 5.1 are listed below and refer to principles and tasks described in Sections 5.3 and 7:</p> <ul style="list-style-type: none">• Setting up and managing of a JS supporting the Managing Authority/Certifying Authority (MA/CA) and assisting the Monitoring Committee (MC) in the implementation and day-to-day management of the Programme;• Preparing and implementing calls for proposals, including the development of guidance documents, setting out the	

Priority axis	PA 5 - The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.
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conditions for the support of operations;

- Setting-up and implementing procedures for the quality assessment, monitoring and control of operations implemented under the Programme, also making use of external experts where necessary, and contributing to the reduction of administrative burden for beneficiaries;
- Collecting data concerning the progress of the Programme in achieving its objectives, as well as financial data and data relating to indicators and milestones, and reporting to the MC and the European Commission;
- Drafting and implementing the Programme communication strategy, including the setting up and implementation of information and communication measures and tools in line with Article 115 of the Regulation (EU) 1303/2013;
- Drafting and implementing the Programme evaluation plan and follow-up of findings of independent programme evaluations;
- Setting-up, running and maintenance of a computerised system to record and store data on each operation necessary for monitoring, evaluation, financial management, verification and audit, in compliance with the applicable electronic data exchange requirements and contributing to the reduction of administrative burden for beneficiaries;
- Setting-up a network of national first level controllers, coordinated by the MA/joint secretariat (JS), with the purpose of exchanging information and best practices at cross-border level;
- Setting up and execution of audits on the Programme management and control system and on operations;
- Participate to the anti-fraud strategy defined at national level by the “Annual Reports to Italian Parliament”, ex art. 54 Italian Law n. 234 of 24/12/2012, and by “Legality protocol” signed on 07/09/2015 by Veneto Region and Prefectures based on prevention measures: sharing databases and adoption of IT tools also in order to improve controls, training about irregularities/fraud issues and control best practices and actions for administrative transparency (publication of UE funds beneficiaries on dedicated websites to promote the widespread control by citizens).
- Training for Programme bodies and participation to international conferences.

Priority axis	PA 5 - The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.
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SO 5.2: Actions to improve the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the Programme.

In line with Article 59 of the Regulation (EU) No 1303/2013, actions within the SO 5.2 target the reinforcement of capacity of applicants and beneficiaries to apply for and to use the funds as well as the involvement of relevant partners, including the exchange of good practices among partners.

Indicative actions supported within SO 5.2 are listed below and refer to principles and tasks described in Sections 5:

- Drafting of information documents for applicants and beneficiaries to guide them in the preparation of applications and the implementation, reporting, control and communication of approved operations;
- Organising consultation and information events involving stakeholders and partners: the actions shall aim at increasing awareness on the Programme topics, SOs and expected results, and at encouraging partners to contribute to the success of the Programme implementation
- Organising workshops for applicants and beneficiaries to help avoiding irregularities and ineligible costs;
- Organising monitoring visits to running projects performed by the JS, aimed at carrying out, whenever needed, quality assessment of outputs/results, with the possibility to ask for improvements;
- Developing information and exchange tools (e.g. analytical documents, bilateral meetings, targeted events, etc.) and organisation of cross-border and national events to strengthen the involvement of relevant partners in the implementation of the Programme (also including authorities involved in the development or implementation of macro-regional strategies, joint legal bodies operating in the area and umbrella organisations at EU/transnational level);
- Organization of workshops and exchange events addressed to applicants aimed at strengthening their capacity to develop applications and providing information about the project cycle management, application process, eligibility

Priority axis	PA 5 – The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.
<p>and assessment requirements, eligibility of expenditure;</p> <ul style="list-style-type: none"> • Organization of targeted seminars and material addressed to beneficiaries aimed at supporting a sound project implementation (e.g.: on legal issues, reporting, certification of expenditure, communication); • Developing and maintenance of a structured integrated database of the Programme data management, accessible to all the relevant implementing bodies of the Programme; • Managing the on-going evaluation of the Programme, in order to draw the lessons learned from the current programming period. <p>Technical assistance actions shall be implemented by all authorities involved in the management of the Programme, listed in Section 5.3. Actions will be focused on targeted topics according to the gaps and needs of support identified among the applicants and beneficiaries during the Programme implementation, in order to contribute to a more effective delivery of the Programme. Actions shall take the form of events, seminars, workshops, documents, guidelines, fact sheets etc.</p>	

2.B.5.2 Output indicators expected to contribute to results (by priority axis)

Table 11: Output indicators

Priority axis		PA 5 – The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.		
ID	Indicator	Measurement unit	Target value (2023)	Source of data
TA1	Calls for proposals successfully launched and closed	number	3.00	Managing Authority
TA2	Operations financed following calls for proposals	number	75.00	Programme e-Monitoring System
TA3	Programme communication strategy developed and implemented	number	1.00	Programme Annual Report

Priority axis		PA 5 - The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.		
ID	Indicator	Measurement unit	Target value (2023)	Source of data
TA4	Independent on-going programme evaluation implemented	number	1.00	Managing authority
TA5	Programme e-Monitoring System established	number	1.00	Independent on-going programme evaluation
TA6	Workshop and events held	number	8.00	Programme Annual Report
TA7	Number of employees (Full-time equivalents) whose salaries are co-financed by technical assistance	Number	20.00	Managing Authority

2.B.6 Categories of intervention

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

Tables 12–14: Categories of intervention

Table 12: Dimension 1 Intervention field

Priority axis	PA 5 – The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.
Code	Amount (€)
121. Preparation, implementation, monitoring and inspection	10,269,218.05
122. Evaluation and studies	604,071.65
123. Information and communication	1,208,143.30

Table 13: Dimension 2 Form of finance

Priority axis	PA 5 - The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.	
Code	Amount (€)	
01.Non-repayable grant		12,081,433.00

Table 14: Dimension 3 Territory type

Priority axis	PA 5 - The technical assistance aims at supporting the implementation of the programme, the involvement of relevant partners, as well as to increase capacity of institutions and beneficiaries in the Programme area for the cross-border actions. According to article 17 of ETC regulation, the limit for technical assistance is determined in a maximum of 6% of the total ERDF amount allocated to the programme. The co-financing rate will be 15%.	
Code	Amount (€)	
07.Not applicable		12,081,433.00

3. FINANCING PLAN

3.1 Financial appropriation from the ERDF (in €)

Table 15

Fund	2014	2015	2016	2017	2018	2019	2020	Total
ERDF	0.00	24,570,537.00	20,825,538.00	37,839,878.00	38,596,677.00	39,368,610.00	40,155,980.00	201,357,220.00
Total	0.00	24,570,537.00	20,825,538.00	37,839,878.00	38,596,677.00	39,368,610.00	40,155,980.00	201,357,220.00

3.2.A Total financial appropriation from the ERDF and national co-financing (in €)

Table 16: Financing plan

Priority axis	Fund	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e) (2)	For information	
					National public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
PA 1	ERDF	Total	24,162,867.00	4,264,036.00	3,289,035.00	975,001.00	28,426,903.00	84.9999980652%		
PA 2	ERDF	Total	51,346,091.00	9,061,075.00	8,386,075.00	675,000.00	60,407,166.00	84.999998345%		
PA 3	ERDF	Total	70,475,027.00	12,436,770.00	11,506,769.00	930,001.00	82,911,797.00	84.999994573%		
PA 4	ERDF	Total	43,291,802.00	7,639,730.00	7,099,730.00	540,000.00	50,931,532.00	84.999996073%		
PA 5	ERDF	Total	12,081,433.00	2,132,018.00	2,132,018.00	0.00	14,213,451.00	84.9999975375%		
Total	ERDF		201,357,220.00	35,533,629.00	32,413,627.00	3,120,002.00	236,890,849.00	84.9999993035%		
Grand total			201,357,220.00	35,533,629.00	32,413,627.00	3,120,002.00	236,890,849.00	84.9999993035%	0	0

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

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

3.2.B Breakdown by priority axis and thematic objective

Table 17

Priority axis	Thematic objective	Union support	National counterpart	Total funding
PA 1	Strengthening research, technological development and innovation	24,162,867.00	4,264,036.00	28,426,903.00
PA 2	Promoting climate change adaptation, risk prevention and management	51,346,091.00	9,061,075.00	60,407,166.00
PA 3	Preserving and protecting the environment and promoting resource efficiency	70,475,027.00	12,436,770.00	82,911,797.00
PA 4	Promoting sustainable transport and removing bottlenecks in key network infrastructures	43,291,802.00	7,639,730.00	50,931,532.00
Total		189,275,787.00	33,401,611.00	222,677,398.00

Table 18: Indicative amount of support to be used for climate change objectives

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the programme (%)
PA 1	1,449,771.96	0.72%
PA 2	35,942,263.70	17.85%
PA 3	15,645,455.99	7.77%
PA 4	15,585,048.72	7.74%
Total	68,622,540.37	34.08%

4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme, including in relation to regions and areas referred to in Article 174(3) TFEU, having regard to the Partnership Agreements of the participating Member States, and showing how it contributes to the accomplishment of the programme objectives and expected results

The territorial analysis has identified the following main territorial challenges that need to be addressed by actions across the borders:

1. considerable socio-economic disparities in the programming area which affect the SME sector, the innovation capacity and the labour market;
2. high influence of climate change which threatens safety and resilience capacity of the programming area;
3. vulnerability of the Adriatic Sea ecosystem (with its coasts and islands), of the protected areas and of the cultural and natural heritage connected to the Adriatic Sea.

With regard to these challenges, an integrated approach to territorial development having the Blue Growth as frame-work topic will allow the programming area to meet the priorities of smart, sustainable and inclusive growth of the Europe 2020 Strategy, to lead the Programme towards tangible results enhancing economic, social and territorial cohesion.

However, there are multiple dimensions which reinforce the integrated approach to territorial development. which has several interconnections with the neighboring areas and with the challenges directly connected to those areas.

Thematic Objective n.1, Priority Axis n.1 *Blue Innovation* focuses on innovation in the Adriatic basin territories as main answer to the need of recovering the competitiveness of the economic sectors. Encouraging and supporting cross-border clusters among innovation players, entrepreneurial networks and social innovation linked to the existing sectors of the Blue Economy is needed to enhance its economic value-generating features. This integrated approach is also strengthened

by the involvement of a large number of different players which multiply the opportunity for an incisive innovation transfer.

Thematic Objective n.5, Priority Axis n.2 *Safety and resilience* aims at making the programming area more resilient and more secure with respect to climate change. The vulnerability of the coastal areas, the low adaptation capacity of the marine and maritime systems, the threaten by climate change towards the natural heritage are the main challenges tackled by this priority axis. An integrated approach to these challenges will strengthen the adaptive capacity to climate change of the programming area through the establishment of better coordinated cross-border emergency plans, the improvement of the monitoring capacity and the adoption of joint strategies.

Thematic Objective n.6, Priority Axis n.3 *Environment and cultural heritage* intends to valorize natural and cultural heritage of the programming area. Natural and cultural potential will be mobilized by fostering synergies and intense cooperation between different sectors and players and engaging them in promoting sustainable territorial development, preserving biodiversity in the Adriatic Basin and using innovative technologies for the improvement of its quality.

Thematic Objective n.7, Priority Axis n.4 *Maritime Transport* aims at supporting multimodality as key element for making marine and coastal transport services and nodes more secure and more environmentally sustainable. On one hand this objective will be pursued improving the knowledge base for a better monitoring of the traffic-related issues. On the other hand joint strategies for the improvement of a tighter coordination among the players will be encouraged.

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

Not applicable

4.2 Integrated actions for sustainable urban development (where appropriate)

Principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the ERDF support for these actions

Not applicable

Table 19: Integrated actions for sustainable urban development - indicative amounts of ERDF support

Indicative amount of ERDF support (€)
0.00

4.3 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

Not applicable

Table 20: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)

Priority axis	Indicative financial allocation (Union support) (€)
Total	0.00

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

(Where Member States and regions participate in macro-regional and sea basin strategies)

The overall eligible area of the Programme is included in the EU Strategy for Adriatic-Ionian Region (EUSAIR) approved by the European Council on 23 October 2014 on the basis of the Commission communication concerning the European Union Strategy for the Adriatic and Ionian Region (COM(2014)0357) and the accompanying Action Plan and supportive analytical document.

For this geographical reason the Italy-Croatia CBC Programme 2014-2020 can clearly play a significant role in promoting synergies with

EUSAIR and in increasing the territorial cohesion. It is worth to remind that two other macro-regional strategies affect the programming area even though they don't cover the whole cooperation area:

- the EU Strategy for the Danube Region (EUSDR), which involves the whole Croatia;
- the EU Strategy for Alpine Region (EUSALP), which involves some Italian regions.

The Programme – with its focus on Blue Growth, the maritime dimension of the Europe 2020 strategy – is engaged in promoting EU international competitiveness by mean of innovation, fighting unemployment whilst preserving natural heritage, biodiversity, protecting marine and costal ecosystems, supporting multimodality.

There are two established and active EGTCs partly included in the Cooperation area, which may be enlarged to Croatian territories in the future: “Euroregio Senza Confini” made by Regione del Veneto (Italy), Regione Friuli Venezia Giulia (Italy) and Land Kärnten (Austria) and “EGTC GO” formed by three Municipalities (Gorizia, in Italy, Nova Gorica and Šempeter-Vrtojba in Slovenia).

Indeed, the main contribution that Italy–Croatia CBC Programme 2014–2020 can provide towards macro-regional strategies is related to the EUSAIR, where the selected TOs and IPs of the Programme in fact maximize the thematic links with the Strategy.

Pillar 1 “Blue Growth”, which is about driving innovative maritime and marine growth in the Adriatic–Ionian Region by promoting sustainable economic growth and jobs, as well as business opportunities in the Blue Economy sectors, is directly addressed by Priority Axis n. 1 “Blue Innovation”. Through the types of actions of SO 1.1, the Programme is contributing to the specific objectives of the Strategy’s first pillar by promoting research, innovation in blue economy sectors, by facilitating the brain circulation between research and business communities and increasing their networking and clustering capacity, by supporting innovation in fisheries and aquaculture or by promoting innovation in the maritime and marine related services. Also the Priority Axis n. 2 and n. 3 are contributing to the Pillar 1 “Blue Growth”, through the types of actions of SOs 2.1, 2.2, 3.2 and 3.3. by promoting data and knowledge sharing, by improving management and governance capacity and by increasing awareness and knowledge in maritime and marine sectors.

Pillar 2 “Connecting the Region”, which is about connectivity within the Adriatic and Ionian Region and with the rest of Europe in terms of transport and energy networks is addressed by Priority Axis n. 4 “Maritime Transports”. The actions envisaged to be supported by the Programme, contribute to the development of a competitive intermodal

port system, and to reliable and sustainable transport connections for both freight and passengers, which are targeted as strategic topics within the ADRION Region.

Pillar 3 “Environmental Quality” which is about preservation of the marine, coastal and terrestrial ecosystems is mainly, but not exclusively, addressed by Priority Axis n. 3 “Environment and cultural heritage”. The protection and restoration of the biodiversity sought under SO 3.2 of the Programme, will have an important contribution to the objectives related to the marine and terrestrial biodiversity of the Strategy. Moreover, the actions of SO 3.3 directed towards the improvement of the quality of the sea water, will improve the status of the marine environment, the first pivotal topic of the third Pillar. Beside these, actions under Priority Axis n. 2 “Safety and resilience”, with their orientation towards supporting climate change adaptation or increasing the response capacity to environmental risks, can provide a significant contribution to the realization of several priority actions proposed and detailed in the EUSAIR Action Plan.

Pillar 4 “Sustainable Tourism”, which is about developing sustainable and responsible tourism potential of the Adriatic–Ionian Region, through innovative and quality tourism products and services is supported by Priority Axis n. 3 “Environment and cultural heritage” SO 3.1 which fosters economic development by tourism or other activities based upon natural and cultural heritage.

The above mentioned common elements allow the coordination of operations working within the same thematic field, further supporting the cooperation between EUSAIR and Italy–Croatian CBC stakeholders or in the framework of other transnational and cross border cooperation levels.

5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

5.1 Relevant authorities and bodies

Table 21: Programme authorities

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Managing authority	VENETO REGION Area for Human Capital, Culture and Programming of European Funds – Directorate for Joint Programming – Organizational Unit Italy-Croatia MA	Head of Organizational Unit Italy-Croatia MA	Dorsoduro 3494/A, 30123 Venice, Italy	italia.croazia@regione.veneto.it
Certifying authority	VENETO REGION Area for Instrumental Resources	Head of Area for Instrumental Resources	Cannaregio, 23 – 30121 Venice, Italy	area.risorsestrumentali@regione.veneto.it
Audit authority	Agenzia veneta per i pagamenti in agricoltura (AVEPA) – Regional paying agency for agricultural sector, EU Audit unit	Head of unit	Via Niccolò Tommaseo n. 67, 35131 Padova – Italy	audit@avepa.it

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

- the Managing authority
 the Certifying authority

Table 22: Body or bodies carrying out control and audit tasks

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Addresses	Email
Body or bodies designated to be responsible for carrying out audit tasks	CROATIA: Agency for the audit of EU programmes implementation system	Director of the Agency		neven.sprlje@arpa.hr
Body or bodies designated to be responsible for carrying out audit tasks	ITALY: The Audit Authority appointed, assisted by a group of auditors that shall be referent for audits carried out in its territory	AVEPA, Head of EU Audit Unit		audit@avepa.it
Body or bodies designated to carry out control tasks	CROATIA: Agency for regional development of the Republic of Croatia, directorate for financial management and accounting, service for FLC	Director		natasa.kulakowski@arr.hr
Body or bodies designated to carry out control tasks	ITALY: FLC Team within the Veneto Region Area for Instrumental Resources – Budget and Accounting Directorate	Head of FLC Team		tullio.dibiasi@regione.veneto.it

5.2 Procedure for setting up the joint secretariat

In compliance with art. 23 of ETC Regulation, the Managing Authority, after consultation and in accordance with the Member States, shall set up a Joint Secretariat (JS).

The Joint Secretariat is in charge of assisting the Managing Authority and the Monitoring Committee in carrying out their respective functions. Additionally, it is also in charge of providing information to potential beneficiaries about funding opportunities and of assisting beneficiaries in the implementation of operations.

The Managing Authority ensures the overall coordination of the process and that the hiring procedures respect the principles of equal opportunities and non-discrimination, as well as their wide dissemination.

The Veneto Region premises, located in Venice, shall be the main seat of the Joint Secretariat and of its Head; two branch offices shall be hosted in Croatia (one in Zadar and one in Dubrovnik) in order to ensure a geographically balanced implementation of the Programme.

The branch offices, as an integral part of JS, will work in close cooperation with the JS members in Venice along the entire Programme period and will have joint management of the activities under the head of Joint Secretariat.

The Joint Secretariat staff is hired in accordance with Italian and Croatian rules.

The JS will be employed:

- Through open, transparent and internationally competitive procedure based on the Job Profile or Terms of Reference agreed and approved by both countries;
- Both countries shall be members of the evaluation committee.

5.3 Summary description of the management and control arrangements

The management and control arrangements of the Italy-Croatia Programme are described here below. More detailed information will be provided in the Description of the Management and Control System. that will be elaborated in order to support the designation of the MA and CA in accordance with art. 124 of CPR. They will be approved by the MC. The Programme language is English; all manuals, checklists and other relevant documentation will be provided in English.

Monitoring Committee (MC)

According to art. 47 of CPR, the MC will be set up within three months of the date of notification to the MSs of the EC decision adopting the cooperation Programme.

Its composition shall be agreed by the MS participating in the Programme and shall include their relevant representatives. MC composition will be in accordance with art. 5.2 of CPR and with the requirements set forth by the Commission Delegated Regulation (EU) No 240/2014 – Code of Conduct; representatives of the economic and social partners and bilateral NGOs, bodies representing civil society (e.g.: environmental partners, non-governmental organizations) will be involved in accordance with art. 10.2 of Code of Conduct.

The MC shall be chaired by a MS according to a rotation principle described in the rules of procedure, whereas the Managing Authority shall act as co-chair to ensure continuity. The MC shall draw up and approve its rules of procedure, which will contain a detailed description of the committee tasks, composition and voting right.

In principle, decisions of the MC shall be taken by consensus, whereby each MS shall have one vote.

The MC shall also include representatives of:

1. European Commission, in advisory capacity
2. Managing Authority (MA), in advisory capacity
3. Joint secretariat (JS), in advisory capacity and with role of secretarial support to the Monitoring Committee
4. Audit Authority (AA) as an independent observer.

The Certifying Authority (CA) shall participate by invitation of the MC Presidency, where necessary.

The MC shall meet at least once a year. Decisions may also be taken through written procedure (WP), with the exclusion of strategic relevance ones for which decisions adopted during joint meetings are required. Decisions that can be adopted through WP can be, indicatively, related to changes within the project life cycle, e.g.: duration or change of activities or partners.

Each MS shall be equally represented and complying with the partnership principle in managing, monitoring and evaluating the operations in all stages of the Programme implementation.

The list of members of the MC shall be published on the Programme web site; other arrangements on the transparency of MC decisions will be indicated in the RoP.

According to art 49 of CPR, the MC is in charge of reviewing the implementation of the Programme and the progress made towards achieving its objectives, as well as of examining all issues that affect its performance. It shall be consulted and given an opinion on any amendment of the Programme proposed by the MA. Moreover, it may make observations with regard to the implementation and evaluation of the Programme, including actions related to the reduction of the administrative burden. In addition to the tasks reported in art. 110 of CPR, the MC shall act in accordance with artt. 7, 21, 49, 50, 56, 116 CPR and art 12. of ETC Regulation.

Decisions of the MC will be free from bias and must not be influenced by any partial personal or organisational interests of any of its individual members.

MC RoP will contain the elements listed in art. 11 of the Regulation (EU) No 240/2014.

National Committees (NC)

Each MS may organise its national committee with a role of consultative bodies. They will involve national, regional and local authorities as well as the relevant authorities and institutions competent in specific fields of intervention, NGOs and any other socio-economic and institutional partner considered relevant by the concerned MS. NC will ensure consistency of interventions with the most relevant policies and programmes of the involved area.

Results of the NC meetings will be reported by the MC representatives during the MC meetings.

Responsibilities of the Member States

The MSs retain the following main responsibilities:

1. nominate their representatives of the MC in order to contribute to the general coordination and monitoring of the Programme in their territory and bear financial responsibilities in line with pr. 5.4;
2. are responsible for the verification of expenditure of beneficiaries located in their territory at the appropriate governance level in accordance with Table 22;

3. participate in audit activities as members of the GoA and are responsible for audits carried out in their territory in accordance with Table 22.

Both MS agree to apply the partnership (art. 5 CPR) and to cooperate for the sound management, control and implementation of the Programme.

The MS may lay down in writing rules governing their relations with the MA and AA, the relations between such authorities, and the relations of such authorities with the EC.

They will also ensure that the implementing authorities will be provided with all necessary and legally allowed information to carry out their responsibilities.

Managing Authority (MA)

The designated MA will be assisted by a JS and shall be responsible for managing and implementing the Programme in accordance with the principle of sound financial management. It carries out the functions described in art. 125 of CPR and art. 23 of ETC Regulation.

The MA acts for the benefit and the smooth Programme implementation in cooperation with the MS. Additionally, it acts in full coherence with the Italian institutional, legal and financial provisions.

The MA is in charge of ensuring the necessary communication flow and data provision both to the MC and to the EC, in particular with regard to the progress of the Programme, indicators and data.

The MA sets in place an effective and proportionate anti-fraud and anti-corruption measures taking into account the risks identified (CPR, art. 125(4)(c)). It also ensures that: anti-fraud checks are done in cooperation with the representatives of the countries participating to the Programme.

Additionally, it sets up procedures to ensure that all documents regarding expenditure and audit trail are held in accordance with CPR, art. 72.

The MA will be beneficiary only for the Priority Axis 5; arrangements to ensure that verifications on the co-financed products and services are done in accordance with an adequate separation of functions shall be ensured.

The MA ensures sound communication flow with applicants and beneficiaries providing all the necessary documentation and information including the specific requirements concerning the products or services to be delivered during the project implementation, the financing plan and the time-limit for its execution.

Certifying Authority (CA)

According to art. 24 of ETC Regulation the CA shall carry out the functions envisaged in art. 126 of CPR.

In particular, the CA is responsible for drawing up and submitting to the EC payment applications and certifying that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the MA before being sent to the Commission. More details on tasks of CA will be provided in the Description of the Management and Control System.

Audit Authority (AA)

The AA carries out its functions in accordance with art. 123, 124 127 and 128 of CPR and art. 21 and 25 of the ETC Regulation.

The AA is independent from the other programme bodies and it has been identified in EU Audit Unit of AVEPA, regional paying agency for agricultural sector with administrative, organizational, accounting and financial autonomy.

The AA shall act, during the implementation of its tasks, in full accordance with Italian provisions.

Group of Auditors (GoA)

The AA is assisted by a Group of Auditors in accordance with art. 25 of ETC Regulation. The representatives of GoA will be appointed by the concerned MS. Representative of auditors from Croatia will be nominated by the Agency for the Audit of EU Programmes Implementation System, while representative of auditors from Italy will be nominated by the AA directly. The GoA members shall be independent from any the management and control system of the Programme and namely from the MC and the controllers ex art. 23.4 of ETC Regulation and from any funded operation.

The GoA shall be set up within three months of the decision approving the Programme at the latest. It shall draw up its own rules of procedure

and will be chaired by the AA. The GoA shall, additionally, ensure that the bodies in charge of carrying out the audits have the necessary functional independence.

Each MS shall be responsible for the audits carried out on its territory in accordance with Table 22.

Joint Secretariat

In accordance with art. 23 of ETC Regulation, the JS is in charge of assisting the MA and the MC in carrying out their functions.

Additionally, it provides information to potential beneficiaries about funding opportunities under Italy–Croatia Cross–border Cooperation Programme and assists the beneficiaries in the implementation of operations.

In the framework of what above, the JS shall assist the MA in the following tasks:

- secretary services and administrative activities
- day-to-day management and implementation of the Programme
- drafting and implementing the communication strategy in accordance with art. 116 of CPR and the compliance with the communication requirements
- preparing all the documents for submission of the project proposals (i.e. application form, guide for filling in the application form, Programme manual, guideline for the accounting expenses, contract framework between MA and LPs, and between LPs and PPs, etc.);
- receiving the project proposals and coordinating the assessment process in accordance with the criteria approved by the MC; if necessary, the assessment process – implemented– can be supported by external experts. The assessment process is characterized by an eligibility check (aimed at verifying the compliance with pre-defined formal criteria) and by a quality assessment (aimed at analysing the quality of the submitted proposals in relation to the pre-defined assessment criteria); the JS is directly involved in the entire process;
- presenting the results of the assessment process to the MC in charge of the approval for funding;
- updating information on monitoring system, at Programme and project level;
- drawing up reports on the implementation of the Programme.

JS support to MC will consist of the following activities:

- secretary services, organization of the meetings, preparing agenda and keeping the minutes
- preliminary analysis of project proposals on the basis of the standards indicated by MC
- drawing up documents to support the MC in the evaluation of the proposals, also relating with designated experts, and preparing the draft documents for the approval of the projects.

JS shall assist Programme beneficiaries in the following activities:

- help desk office, as first contact point for information about the Programme to potential beneficiaries and then to beneficiaries during the implementation of the projects;
- preliminary evaluation of the project proposals in order to verify their formal suitability and that all the due documents are included;
- monitoring of the development of the project activities and expenses.

Organisation of the assessment and selection of operations

Types of operations

The calls for proposals addressed to the funding of standard and strategic operations will be launched according to the Programme needs and its interim and final performance.

The selection of operations shall follow the requirements set forth in art. 125.3 of CPR. Different modalities (e.g.: one– two steps call, targeted calls, etc.) for submission of the project proposals shall be established according to the specificity of the call.

Standard projects will be implemented in a bottom up approach under all Priority Axes through the launch of open calls.

Strategic projects will be characterized by:

- The principle of wide–area partnerships, i.e.: the involvement of a higher number of beneficiaries than the minimum eligible partnership requirement (see Eligibility requirements below);
- Width of the involved territories to ensure that greater Programme area population benefits from the achieved results;
- Higher financial allocations than those foreseen for standard projects;

- Specific and targeted institutional and technical skills and know how to ensure deeper/long-lasting impacts and benefits for the whole cooperation area.

Given their strategic nature and expected impact and contribution to the overall programming system, strategic projects will be identified and selected through an institutional top-down approach.

All operations will be result-oriented and characterized by a place-based approach.

The MA will ensure timely and transparent information to all beneficiaries with regard to the types of operations characteristics and conditions for submission.

Submission of project proposals

The MA, supported by the JS, will draft the calls for proposal and the application package. All the relevant documentation will be approved by the MC and afterwards made available on the Programme web site and through other National channels.

Standard procedures for submission, supporting technical documentation and guidance will be provided for project proposals and management. The calls for proposals will specify the type of expected projects and any other detail needed. Applications shall be submitted electronically to the MA/JS by the LP.

Assessment and selection of project proposals for funding

The selection of operations projects will be carried out in application of Article 12 of the EU Regulation No. 1299/2013 by the MC – with the support of the JS – on the basis of the methodology and criteria used for the selection of operations examined and approved by the MC itself (Art. 110 CPR). In the evaluation process, both the JS and the MC may be supported by external experts.

The operations will be selected following a standardised assessment procedure as described in the previous paragraphs devoted to the description of the tasks of the MA and JS.

The MC will define specific assessment and selection procedure for strategic projects.

Operations will be submitted to an eligibility check in order to verify their compliance with the essential requirements of the call and will be assessed on the basis of selection criteria.

The Italy–Croatia Programme mainly intends to support project proposals whose potential beneficiaries are located in the Programme area. Some Croatian and Italian institutions that are considered as relevant for their contribution to the area but geographically located outside the Programme area (e.g.: Ministries and Regional Governments including their agencies, universities with branches located in programme area) will nevertheless be considered as equal to the eligible beneficiaries located within it.

As an exception and in duly justified cases, the Programme may finance the implementation of part of an operation located outside the Programme area in accordance with art. 20 of ETC Regulation, on condition that the specific requirements reported in that article are satisfied.

Eligible characteristics of potential beneficiaries are reported in Section 2 of the present document for each SO.

Eligibility requirements

The project proposals are subject to the fulfillment of formal requirements that will be specified in the calls for proposals and in the related application packages.

A set of administrative compliance and eligibility criteria will be defined to ensure compliance of all project applications with formal requirements. This part of the assessment will especially focus on the following points:

- Submission in due time;
- Completeness of the submitted project application package;
- Sufficient co–funding sources;
- No evidence of funding by other resources (double financing) at this stage of assessment;
- Requirements for the partnership and geographical eligibility;

– Eligibility of partnership, which shall include at least two partners coming from the two countries involved in the Programme (art. 12.2 of ETC Regulation);

– Eligibility of applicants in accordance with the specific list reported in each SO. In case an EGTC established under the laws of one of the participating countries is involved as a partner, it may be the sole beneficiary of the operation provided that it is set up by public authorities or bodies from the two participating countries to the Programme.

The JS checks the applications against the eligibility criteria. Proposals that are not eligible are rejected by the decision of the MC.

Any project proposal likely to have a significant effect on Natura 2000 sites (therefore “soft” intangible measures are exempted), shall be subject to appropriate assessment of its implications for the site in view of the site's conservation objectives and shall be financed only after having ascertained that it will not adversely affect the integrity of the site concerned as regulated by Habitat Directive 92/43/EEC art. 6(3) of 21 May 1992.”

Selection criteria

After having checked whether the project proposal complies with the eligible requirements, eligible candidatures are assessed in accordance with the selection criteria previously defined and approved by the MC.

Selection assessment aims to determine the extent of the project’s contribution to the achievement of the Programme objectives. A strong focus is given to the result orientation of a project as well as to the feasibility of the proposed project.

The compliance with horizontal criteria will be also assessed.

Overall, the guiding principles for project evaluation shall be:

- relevance and coherence of the project proposal, vis-à-vis the Programme cross-border specificities and its specific added value;
- the contribution to the Programme priority achievements;
- synergies and complementarity with other EU programmes;

- concrete and measurable outputs;
- durability of results.

The programme will support operations having a clear focus on the implementation of joint CB actions demonstrating the added value of the territorial cooperation. Operations should follow a result-oriented approach, putting emphasis on the development of concrete, measurable and visible outputs and results.

During the second phase, eligible projects will be evaluated on the basis of the following assessment criteria:

Strategic assessment criteria:

- relevance, coherence and contribution of project proposal to the Programme overall Strategy and to the IP and SO addressed;
- clarity of objectives and measurability of outputs;
- added value of cross-border cooperation;
- capability to address territorial needs and challenges;
- relevance and coherence of partnership according to the objectives of the project;
- integration, synergies or complementarities with other EU funded, national, regional programmes (cf. section 6).

Operational assessment criteria:

- Suitability of the management structure;
- Appropriateness of the communication activities;
- Adequacy, consistency and coherence of the work plan;
- Budget effectiveness and efficacy (value for money)

All projects shall ensure coherence and synergy with ERDF regional and national programmes and/or other relevant regional/local financial instruments.

Furthermore, specific assessment criteria will be laid down and made available to potential applicants for each call.

Single calls may contemplate minimum quality requirements, in addition to eligibility criteria, that projects have to meet in order to be financed.

The MA, in cooperation with the JS, shall verify State Aid compliance, the absence of double funding and fraudulent approaches.

Decision process

Results of the eligibility checks are submitted to the MC for endorsement.

Results of the assessment process are submitted to the MC, whose decision making process will be detailed in its Rules of Procedure.

The MA shall immediately inform all the lead partners about the results of the assessment; the communication shall also contain information in case the lead partner intends to initiate a complaint procedure.

For each financed project will be prepared a Subsidy Contract (SC), that shall be signed by the LP – on behalf of its partnership – and by the MA. The template of the Subsidy Contract will be previously submitted to the MC for approval.

The lead beneficiary shall, additionally, sign a partnership agreement with its partners; this document shall mirror duties and obligations of the lead partner towards the MA.

The MA may request, as a pre-condition of the signature of the subsidy contract, any further guarantee from the lead partner attesting its financial capacity to fulfill the necessary implementing conditions.

In accordance with art. 115 of CPR the MA shall make publicly available the list of operations in a spreadsheet data format on the Programme web site.

Monitoring of operations

The Programme shall regularly monitor the funded operations in order to check their progress towards their promised objectives and their financial performance in compliance with the approved project proposals. The

realization of the activities shall be monitored through on the spot checks.

Monitoring will take place on a regular basis and will be done through an electronic data system, which will be able to record, collect and store all the data. The progress report shall be delivered by the LP on behalf of the partnership to the MA /JS.

Monitoring of operations will be carried out in line with MSs requirements envisaged at national level.

Verification of expenditure and financial management and control

In accordance with art. 125.4,125.5 of CPR, art. 23 of ETC Regulation, the MA shall rely on a system ensuring that verification of expenditure and documentation connected and audits required are held in accordance with the requirements of art. 72.g of CPR. In this respect for each MS participating to the Programme will be set in place a control system able to ensure the delivery of the necessary financial verification of co-financed products and services, the correspondent delivery of outputs and the adoption of proportionate anti-fraud measures.

In each MS participating in the Programme shall be designated controllers responsible for the verification of expenditure of the project partners located on their territory; the control systems set in place by each MS shall ensure that the expenditure of a beneficiary can be verified within a period of three months from the submission of the documents by the beneficiary concerned (art. 23.4 of ETC Regulation).

In Croatia the FLC will be organized in a centralized system and the body in charge will be the Agency for regional development of the Republic of Croatia, Directorate for financial management and accounting, service for FLC.

In Italy the FLC system will be decentralised; each beneficiary shall appoint its own controller, according to procedures/requirements set in place by the MA on the basis of the guidelines set at national level for ETC control systems. Beneficiaries can appoint either internal (functionally independent department/unit inside the beneficiary organisation) or external controllers (auditors belonging to independent institutions or selected through a procurement process in line with the Programme rules). The appointment of each controller will be approved by the body designated to be responsible for carrying out control tasks.

The MA will satisfy itself that the expenditure of each beneficiary participating in an operation has been verified by a designated controller.

The MA will collect information from the MSs on their control system for the drafting of the Description of the Management and Control System.

The MS shall ensure timely updated information to the MA on any changes in their control system. The MA shall contribute to ensure a smooth functioning of the control system through the organization of dedicated training sessions and coordination meetings. In any case, the MA will draft common manuals on control procedures in order to ensure equal and impartial controls towards beneficiaries of both territories.

Moreover, in order to ensure its regular functioning, the MA may:

- carry out, with the assistance of the joint secretariat, targeted controls, aimed at ensuring the existence of the operation, the plausibility checks of expenditure and on-the-spot checks;
- perform a quality review, even through on-the-spot checks, on the control systems.

Reimbursement of expenditure from the MA to the lead partners

According to art. 13.2c) of ETC Regulation, the LP shall ensure that expenditure declared by all beneficiaries involved in its project partnership has been incurred in implementing the operation and corresponds to the activities agreed between all beneficiaries and in accordance with the Subsidy Contract.

As a general principle, the implementation of the operations must be pre-financed by the beneficiaries.

The MA will ensure, in compliance with the Italian rules, that a pre-financing to the beneficiaries will be paid out up to 10% depending on the availability of the ERDF funds (through initial pre-financing, annual pre-financing or interim payment) and on any other further circumstances that may threaten the Programme sound financial management.

Where appropriate, the MA may request that a financial guarantee is in force before providing the pre-financing.

Expenditure of all partners have to be validated by the authorised controllers.

The LP collects all the certificates of the project partners issued by their controllers and include them in a project progress report which contains the comprehensive achievements of the project and the eligible and validated expenditure for the realization of its goals.

After having performed the necessary checks aimed to ensure the accuracy and correctness of the payment claim, the MA subject to the availability of funding, and in accordance with art. 132 of CPR makes the payment of the ERDF to the LP which will be responsible of transferring contribution to the other partners. The MA will also pay the national share of co-funding, where due, to the LP belonging to the Italian eligible area. The payment of the Croatian national co-funding share to both the Croatian LP and PPs will be under the responsibility of the Croatian Republic.

The MA guarantees to the Croatian institutions payment Authority timely information on the payment of ERDF funds, in order to release the payment of the corresponding Croatian share of funds to its LPs or PPs.

All payments and statements of ERDF expenditure shall be done in EUR (art 80 of CPR).

Arrangements for the examination of complaints

The Programme sets up a complaint procedure in order to find an amicable and mutually acceptable solution avoiding any form of litigation between the MA and all interested parties.

The MA adopts standardized procedures differentiated as follow:

1. Complaints related to the assessment and selection process;
2. Complaints related to decisions made during the project implementation;
3. Any other complaint (including those submitted by citizens or NGOs).

With reference to letter a. the complaint procedure is specified for every assessment phase as follows: admissibility, eligibility, quality and state aid checks. In case of the admissibility, the project LPs are informed in writing about the reasons why their application was not progressed in the assessment phase: no complaint procedure can be activated at this stage. In case of eligibility and quality check LPs will be informed in writing about the reasons why their application was not considered as eligible or quality relevant for approval. Complaints may be advanced if failures during project selection process of an application affecting the funding decision are suspected. Failure means that the project assessment did

not comply with the selection criteria and/or the procedures laid down in the Programme and operational documents and in the specific call documents.

Any complaint related to this phase shall be addressed by the LP on behalf of the entire partnership, to the MA.

The MA will submit the complaint and the provided information for examination to a Complaint Committee (CC) composed by members identified by MC within the voting members (both Countries) and by representatives of the MA/JS. The MA will provide its position regarding the merit of the complaint and will adopt the definitive act on the basis of the final decision of the CC.

With reference to letter b. any complaints against acts, omissions and/or decisions of the MA/JS during project implementation or against any MC decision on the basis of the Subsidy Contract shall be submitted by the LP, on behalf of the partnership, or by the concerned partner to the MA for the examination. The MA, if the case cannot be solved by MA itself, will involve the CC in order to find appropriate response. MC will be duly informed. In case of complaints against acts, omissions and/or decisions of control and audit bodies related to the national control system LPs or the interested PPs can file a complaint to MA (for Italy) or to the Agency for the audit of EU programmes implementation system (for Croatia).

With reference to letter c. complaints will be received by MA and, if the case cannot be solved by MA itself, will involve the CC in order to find appropriate response. MC will be informed.

The decisions taken after each complaint procedures will be final, binding to all parties and not subject to any further complaint proceedings within the Programme if the complaint is based on the same grounds. The complaint procedure is without prejudice to any mechanism or process for legal redress, in particular with regard to unsuccessful applicants. In this case the legal proceedings will take place in Italy following the Italian laws.

Further information regarding the Programme's complaint procedures will be laid down in the official Programme operational documents.

Computerised exchange of data

As specified in art. 74 of CPR all data exchanges with the EC shall be carried out using an electronic data exchange system. Transmission of financial data refers to art. 112 of CPR.

As far as the obligation set forth in art. 122.3 of CPR and further specified in the EC Impl. Reg. 1011/2014 are concerned, also exchanges of information between beneficiaries and the MA, CA and AA shall be carried out by means of electronic data exchange system. The exchange of documents and data shall include reporting on progress, payment claims and exchange of information related to management verifications and audits.

In addition to the characteristics set forth in art. 9 of the aforementioned Implementing Regulation, the electronic Monitoring System to be adopted by the Programme shall comply with:

- 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 the 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).

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.

Computerised exchange of data will be ensured as well with the Italian and Croatian national monitoring systems.

Contribution of the Member States to the financing of the technical assistance

The technical assistance budget of the programme is jointly financed by the MSs, which are entitled to transfer their national co-financing share for technical assistance to the MA in proportion of the ERDF funds in the Programme (Italy 83%, Croatia 17%).

The MA shall regularly inform the MC on the payment situation.

Information and communication

The MA elaborates, with the support of the JS, a communication strategy not later than 6 months after the adoption of the Programme. It shall be proportionate to the financial size of the programme. The communication strategy shall include the elements set out in Annex XII of CPR and shall be approved by the MC, including its amendments.

The strategy will be valid for the whole programming period, complemented by annual work plans.

The aim of the communication strategy is dual:

- to inform potential applicants about founding opportunities under the cooperation Programme;
- to communicate progress and achievements of the Programme to the general public.

The Programme and all projects communication activities shall comply with a coordinated branding introduced on a voluntary basis by ETC programmes for the 2014–2020 period.

The MSs shall support the MA in ensuring its effective application of the information and publicity requirements by taking appropriate steps to disseminate information and provide publicity within their territory.

Similarly, also the approved operations can contribute to the Programme promotion through the spreading of their achievements and involvement of the target groups.

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.

In accordance with art. 56 of CPR, the MA draws up an evaluation plan which will be approved by the MC in line with provisions as laid down in art. 110.2 c) of CPR.

In accordance with art. 56 of CPR, evaluations will be carried out to assess the effectiveness, efficiency and impact of the Programme, considering also the cross-cutting issues and the horizontal principles. 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 MC.

In compliance with art. 57 of CPR, the ex-post evaluation lies in the responsibility of the EC together with the MSs.

5.4 Apportionment of liabilities among participating Member States in case of financial corrections imposed by the managing authority or the Commission

Without prejudice to the Member States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to art. 122.2 of CPR, the MA shall ensure that any amount paid as a result of an irregularity is recovered from the lead partner. In accordance with art. 27 of ETC Regulation, the project partners shall repay the lead partner any amounts unduly paid.

Since Member States have the overall liability for the ERDF support granted to lead partners or project partners 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.

The MA is responsible for reimbursing the amounts recovered to the general budget of the European Commission, in accordance with the apportionment of liabilities among the participating Member States as laid down below. The MA will reimburse the funds to the Commission, once the amounts are recovered from the lead partner, project partner and Member State.

If the MA bears any legal expenses for recovery recourse proceedings – initiated after consultation and in mutual agreement with the respective Member State, even if the proceedings are unsuccessful – it will be reimbursed by the Member State hosting the lead partner or the project partner responsible for the said procedure.

Details on the procedure shall be included in the description of the management and control system to be established in accordance with Article 72 of Regulation (EU) No 1303/2013.

In particular:

- For project-related expenditure, final liability is borne by the Member State where the affected lead or project partner is located. In compliance with art. 122 of CPR, each Member State is responsible for reporting irregularity committed by beneficiaries located on their territory to the European Commission and at the same time to the MA. If the Member State does not comply with its duties arising from these provisions, the MA is entitled to suspend payments to all project partners located on the territory of the affected country.
- In case of systemic irregularity or financial correction (the latter decided by the European Commission), the Member States will bear the financial consequences proportionally to the irregularity detected on their territory. Should the systemic irregularity or financial correction not be able to be linked to a specific Member State, they will be responsible proportionally to their ERDF contribution paid to the respective national project partners involved.
- In case the irregularity is incurred by the MA in the technical assistance budget, the MA shall bear the liability related to the administrative irregularity.

If the MA/CA, JS or Member State becomes aware of irregularities, it shall without any delay inform the liable Member State or the MA and the CA, in order to ensure the transmission of information to the AA/group of auditors, where relevant.

The Member State may decide not to recover from a beneficiary an amount, not including interest, if the amount does not exceed EUR 250 in contribution from the Funds.

In parallel to/after reimbursement of the irrecoverable amount by the Member State to the MA, the Member State holds the right to secure repayment from the project partner located on its territory, if necessary through legal actions.

For this purpose the MA and the lead partner shall assign their rights arising from the Subsidy Contract and the Partnership Agreement to the Member State concerned.

More in general, the Italy–Croatia Programme requires, when spending ERDF funds by means of public contract/concessions, that the public bodies and public equivalent bodies of the Member States will have to respect EU public procurement rules and in particular (i) Directive 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation; (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.

In the case of irregularities discovered by the European Court of Auditors or by the European Commission, which result in certain expenditures being considered ineligible and in a financial correction being the subject of a European Commission decision on the basis of Articles 144 to 147 of Regulation (EU) No 1303/2013, any related exchange of correspondence between the European Commission and the Partner State will be copied to the MA/JS; the latter will inform the AA and the GoA.

5.5 Use of the Euro (where appropriate)

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

In accordance with art. 28 of ETC Regulation option b, expenditure incurred in a currency other than the Euro shall be converted into Euro by the beneficiaries, using the monthly accounting exchange rate of the European Commission in the month during which expenditure was submitted for verification to the controller.

The conversion shall be verified by the controllers in Croatia.

5.6 Involvement of partners

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 monitoring committee

Summary of the process of the preparation of the Cooperation Programme

Following the DG REGIO letter Ref. ARES (2012) 1516801 dated December 18th 2012, which presented a first proposal of ETC 2014–2020

geographical areas, and included the proposal of a new cross border Programme between Italian and Croatian territories, on March 8th 2013 in Rome took place the first kick-off meeting for the establishment of a Task force in charge of the preparation of the Programme to be submitted in due time to the European Commission. During the meeting, the participating Italian and Croatian Authorities agreed on the institution of the Task Force and on the indicative work plan, including the relative template.

In order to start the Task Force working activities and the outsourcing to external experts concerning programming (Drafting, Ex Ante and Environmental Assessment, Meetings, Stakeholders consultation, etc.), Italian and Croatian Authorities defined a proposal of provisional budget with an indicative costs allocation € 180.000 (VAT excluded).

For this purpose Italian and Croatian Authorities asked to IPA-CBC Adriatic Programme Joint Monitoring Committee to approve the request to use IPA-CBC Adriatic Programme Technical Assistance resources to finance 2014-2020 Italy - Croatia ETC Crossborder Programme definition for an amount of € 180.000 (VAT excluded).

During the Task Force meeting held in Zagreb on 30th April 2013, TF members approved the Rules of Procedure and were informed about Veneto Region candidacy for Managing Authority (regarding on this, at the end of November 2013 has been signed the Joint preliminary agreement on management of the IT-HR CBC Programme). Under the rules of procedure, the Task Force consist of following members:

- up to 3 representatives from national level - Italy;
- up to 3 representatives from national level - Croatia;
- up to 2 representatives from regional level - Italy;
- up to 2 representatives from regional level - Croatia;
- one representative of the European Commission, as member in an advisory capacity;
- one representative the Croatian Ministry of Foreign and European Affairs and one representative the Italian Ministry of Foreign Affair, as observers;
- Future Managing Authority, upon agreement by this Task Force, as observer.

On April 2014 external experts concerning programming have been contracted (SOGES/RAZBOR for CP drafting and Stakeholders consultation and T33 for Ex Ante and Environmental Evaluation).

The experts presented to the Task Force methodology and time plan during the meeting held in Venice on 22/5/2014.

After a long process and several draft versions, the Cooperation Programme final draft has been approved in the framework of a written procedure on 30 July 2015.

A total number of eight Task Force meetings took place during all the preparation process.

Description of the involvement of the partners

Stakeholders consultation on strategic choices

The aim of the process was to validate Task Force strategic choices (thematic concentration) for the Italy Croatia CBC Programme and to collect additional inputs and suggestions as well as ideas on potential cross-border issues to be supported.

Partners have been involved through an on-line consultation. SOGES arranged the online platform to support the Stakeholders on line consultation.

The SH on-line consultation took place between 25/08/2014 and 12/09/2014 on the Cooperation Programme – Section 1 and 2 – including the TOs (five) and the IPs (nine) preselected by the TF.

The survey grid aimed at:

1. know the stakeholders preferences about the TOs and the IPs preselected by the TF;
2. first collection of the actions suggested by the stakeholders;
3. know the stakeholders opinion about particular statements (marine dimension, strategic project and targeted calls, etc.).

The invitation was sent to 2119 stakeholders (part indicated by TF members and by national and regional authority involved in the

Programme; part based on the inputs received from the on line registration platform). EGTCs present on the territory have also been involved.

Survey results have been presented to the Task Force on 16–17th October 2014 in Dubrovnik (Croatia).

The survey recorded 262 answers (around 80% from Italy and around 20% from Croatia, regularly shared between different stakeholders typologies).

Environmental Authorities consultation

As agreed in the meeting held in Bologna on 23/7/2014, the Task Force decided to involve the Regional Environmental competent Bodies in order to arranging the scoping report, which has to be submitted to public consultation.

Between 8th and 23th September 2014, the consultation of the Environmental Authorities of the Partner States concerning the impact of the Programme on the environment (scoping phase) has also been achieved (final document n. 232 on 16/12/2014 by Veneto regional SEA Commission).

Stakeholders events

In the framework of the programming process, the Task Force organized also two Stakeholders events in Italy (Trieste – 17th June 2015) and Croatia (Split – 19th June 2015) aimed to collect suggestions mainly about the actions lists for the fine-tuning of the Programme strategy and about indicators.

Both events have been organized in one plenary session and four parallel focus groups on the Programme Priority Axes.

Based on the updated mailing list used for the online consultation 2292 stakeholders received the invitation with the link to download the agenda, the Cooperation Programme draft and other useful documents. More than two hundred stakeholders attended in total the two events.

The participants represented a balanced mix of Stakeholders categories.

In addition to the events, stakeholders have been allowed to make observation and suggestion through the platform until 24th June.

The stakeholders both on the events and on the platform were active and contributed with opinions and ideas to all the Programme components. Regarding the events, all of the presentations both of the plenary sessions and of the working groups as well as the Focus Group Reports were published on the platform. Likewise the observation posted by the stakeholders were published on the platform too.

All these inputs have been considered and, where appropriate, translated in concrete revision of the draft version of the Cooperation Programme and mainly focused on the actions lists.

Selection of partners

On behalf of the Task Force, Veneto Region collected the Stakeholders mailing list. To do it, Veneto Region asked to the Croatian National Authorities and to the Italian National and Regional Authorities, to indicate the list of relevant stakeholder under its jurisdiction. On the base of the received lists, by mid-August 2014 Veneto Region sent to SOGES a list of 1303 Stakeholders (1088 Italians and 215 Croatians).

List of partners involved in the consultation process

According to the European code of conduct on partnership Regulation (EU) n. 240/2014, the Stakeholder list include all of the relevant partners (both Italians and Croatians). In particular are included: competent regional, local, urban and other public authorities; economic and social partners; bodies representing civil society.

A more detailed list of partners is reported in section n. 9.3.

Action taken to facilitate the participation of partners

Relevant stakeholders have been involved in two key phases of the Programme elaboration to receive their feedback on the adopted strategic choices (identification of the thematic objectives and investment priorities) and to collect additional inputs and suggestions as well as ideas on potential cross-border actions to be supported.

The following tools have been implemented to spread information and involve the relevant stakeholders in the process:

1. Communications by e-mail on the progress of the Programme elaboration;
2. On line platform to share information and documents on the Programme contents;
3. Stakeholders consultation (survey on line and two meetings).

Communications are regularly electronically submitted to more than two thousand readers.

The on line platform for consultation has been hosted by SOGES (the consultancy company supporting the Programme in drafting the Cooperation Programme).

Main added value of the partnership in the preparation of the Cooperation Programme

The involvement of partners helped in drafting the Cooperation Programme through the provision of inputs, to rank issues to be taken into account in the strategy of the Programme on priorities and coherent Specific Objectives at territorial level.

Partners also contributed to better identify types of actions that should be supported within each investment priority. This was necessary to propose operational and need-based types of actions able to generate concrete and measurable results.

Main results of the consultation with partners

The ranking of thematic objectives is overall in line with the pre-selection of the Task Force, TO1 (research), TO6 (environment) being considered more than highly relevant for Italy-Croatia area, followed by TO4 (low carbon) and TO7 (transports) which are ranked third and fourth. TO5 (climate change) is positioned as fifth objective but it is nevertheless considered more than relevant by the respondents. It should be noted that the spread between the top and the bottom of the list is around 25%.

As for investment priorities preferences, the results per category – on average – are overall consistent with the choices made about TOs.

Based on the consultation results, and aiming at a general consistency of the Cooperation Programme, the Task Force agreed to focus the Programme strategy on only 4 TOs (TOs 1, 5, 6 and 7) and to consider inside these TOs some cross-cutting issues (eco-innovation, social-innovation, ICT, SME, low carbon and education).

Description of the involvement of partners in the implementation of the cooperation programme and involvement in the MC

The involvement of relevant partners in the implementation of the Italy-Croatia programme will be foreseen for the following reasons:

1. To enhance ownership of the Programme among the partners, in order to make use of the knowledge and expertise of these partners and to increase transparency in decision-making processes;
2. To improve the coordination with other European Structural and Investment (ESI) Funds as well as with relevant funding instruments under the umbrella of the Common Strategic Framework (CSF) and macro-regional strategies.

The participation of relevant partners in the Programme and in the MC – according to Articles 5(2) and 47 of CPR – will be organised through National coordination committees preparing and supporting the MC members in the execution of MC tasks, including the preparation of calls for proposals and Programme progress reports as well as the monitoring and evaluation of the Programme.

Additionally, representatives of the economic and social partners and bodies representing civil society, including environmental partners, non-governmental organisations and bodies responsible for promoting social inclusion, gender equality and non-discrimination likely to be affected by the selected programme priorities, beyond their involvement as members of the MC, shall be involved in the following key programme activities, e.g.: support in the launch of the calls for proposals and spread of information to relevant potential beneficiaries, contribution to the outcomes monitoring, provision of data for the measurement of programme indicators, involvement in the programme evaluation.

6. COORDINATION

The mechanisms that ensure effective coordination between the ERDF, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and other Union and national funding instruments, including the coordination and possible combination with the Connecting Europe Facility, the ENI, the European Development Fund (EDF) and the IPA and with the EIB, taking into account the provisions laid down in the Common Strategic Framework as set out in Annex I to Regulation (EU) No 1303/2013. Where Member States and third countries participate in cooperation programmes that include the use of ERDF appropriations for outermost regions and resources from the EDF, coordination mechanisms at the appropriate level to facilitate effective coordination in the use of these resources

In compliance with Article 10 and Annex I of the Regulation (UE) No 1303/2013, coordination and use of synergies with other European Structural and Investment (ESI) Funds as well as with other relevant Union policies, strategies and instruments, including those in the framework of the Union's External Action Member States, have to be pursued. This section gives an overview on the principles followed for implementing the Italy–Croatia Programme in a complementary and coordinated way, with the relevant instruments and funds in accordance with the principles of subsidiarity and proportionality.

For the elaboration of the Italy–Croatia Programme, the choice of TOs, IPs and SOs took into account the priorities highlighted in the Partnership Agreements of the EU Partner States.

As for the Croatian side, the Government of the Republic of Croatia established the Coordination Committee for the preparation of programming documents for the financial period of EU 2014–2020 and designated the Ministry of Regional Development and EU Funds as the body responsible for the overall coordination in preparation of strategic documents and operational programmes for the use of ESI funds 2014–2020.

Following the completion of the programming exercise, the Coordination Committee (supported by the work of Technical Working Groups, TWG) will be used as a permanent coordination mechanism in the form of National Coordinating Committee (hereinafter NCC), established in July 2015 and ensuring overall coordination and monitoring of implementation of ESI funds (mainstream operational programmes and cooperation programmes under the IPA and ERDF) and other Union and relevant national funding instruments. TWGs, established in line with European Code of Conduct for Partnership are intended to be used as support to the work of the NCC in increasing the impact and effectiveness of the funds.

NCC supported by the TWGs and technical secretariat provided by the Ministry of Regional Development and EU Funds will progressively substitute (where necessary by undertaking/merging part of the resources of) other currently existing coordination and monitoring platforms.

NCC shall have a crucial role with regards to strategic steering of investments based on strategic framework of Republic of Croatia and European Union, especially in a way of defining investment priorities and objectives and distribution of available funds.

At the same time the Subcommittee for Coordination of Croatian Participation in European Territorial Cooperation Programmes as well as Macro regional Strategies of the EU (hereinafter ETC Subcommittee) was established, as a thematic subcommittee of NCC.

Single unit within the Croatian Ministry of Regional Development and EU Funds performs the function of NA for 11 out of 13 territorial cooperation programmes Republic of Croatia participates in (ESPON and URBACT excluded).

Close internal coordination mechanisms between the programmes are ensured through day-to-day work within Ministry of Regional Development and EU Funds and ARD as well as regular weekly meetings of heads of sectors. Coordination between other stakeholders involved in the implementation of different programmes will be ensured through the work of above mentioned ETC Subcommittee.

As for the cross-border cooperation programmes, all the relevant stakeholders are or will be involved in the monitoring committees directly.

About the national governance for cohesion policy, Italy will ensure coordination with reference to the following regulatory framework.

According to article 10 of Law Decree no. 101/2013 ratified with amendments by Law n. 125/2013, in order to ensure the achievement of the objectives set out in Article 119, fifth paragraph of the Italian Constitution and strengthen the action of planning, coordination, monitoring and supporting of the cohesion policy, the Agency for territorial cohesion has been established under the supervision of the Presidency of the Council of Ministers. Functions related to cohesion policy are divided between the Presidency Council of Ministers and the Agency.

At the national level, the Italian Partnership Agreement, adopted on 29th October 2014 by the European Commission confirms the Strategic coordination group for the ETC (established by decree of the Head of Department DPS no. 33 of 27th April 2010, amended by Decree no. 9 of 12th April 2011) and the establishment of national committees accompanying Italy's participation in the territorial cooperation programs, one for each of the inter-regional and transnational programs in which Italy participates and one for the Italy-Croatia Cross-border Cooperation Program, because of the wide cooperation area and the number of eligible Italian regions.

6.1 Coordination with the other ESI Funds (ERDF, ESF, Cohesion Fund, EAFRD, EMFF), particularly in relation to programmes under the Investment for Growth and Jobs Goal.

There are possible synergies among Italy-Croatia Cooperation Programme and other ERDF supported programmes as well as operations funded by EMFF, intersections could take place with programmes funded by ESF, EAFRD, and Cohesion fund.

6.1a Synergies and complementarities

Possible synergies with ERDF relate to the areas of innovation and internationalization; risk prevention (i.e. safety and resilience); environment and cultural heritage; and maritime transport. Synergies with EMFF may occur in relation to blue economy, especially in relation with recreational fishing. Whenever suspicion of possible overlaps with EMFF financing are identified, the relevant management bodies will be consulted. The Programme does not tackle specifically ESF type of priorities. Nevertheless, complementarities may appear regarding the support for adaptation of human resources to novel technologies, but since they are not of specific focus for Priority 1, no special coordination arrangements will be put in place.

Possible synergies can also be related to EAFRD, e.g. in the field of aquaculture and with agro-environmental measures aimed at reducing water pollution: in order to highlight synergies and avoid overlaps, the relevant management bodies will be consulted.

As the Cohesion Fund concerns only Croatia, limited possibilities of synergies and overlaps are expected. However, especially in relation to supporting intermodality and strengthening public transport, eventual complementarities will be highlighted.

6.1b Coordination mechanisms

- When submitting project proposals the applicants will have to take responsibility that the proposed project is not financed by other ESI-funded programmes and will have to describe if and how the project is linked with other community, national and regional programmes and policies.
- During the process of project assessment additionally, synergies and possible overlapping of the submitted project proposals with other projects and programmes will be checked. The Programme bodies will communicate and spread the results and outputs of projects funded by the cooperation Programme as will be set out in the communication strategy. The Programme bodies will have frequent contacts with representatives of other programmes in the cooperation area and with the INTERACT programme to ensure an active exchange of information and experience about diverse projects and initiatives.
- The Programme Partners will take respective measures to coordinate activities under the Cooperation Programme with other ESI-funded programmes covering their territory.

6.2 Coordination with other Union instruments (Horizon 2020, LIFE , the Connecting Europe Facility, COSME, Erasmus for All, Asylum, Migration and Integration Fund, Programme for Social Change and Innovation etc.)

6.2a Synergies and complementarities

The Cooperation Programme – especially in its Priority Axis 1 – shares possible synergies with other Union Instruments such as **Horizon 2020**, **COSME**, and the **Connecting Europe Facility**. The focus is on innovation, especially in the field of blue economy. In fact, there is a great potential to exploit results from Horizon 2020 through “downstream actions”; moreover, “upstream actions” towards COSME are possible, in the sense that the CP could contribute to prepare the SMEs to access to better conditions for business creation and growth. At the same time this will also contribute to the effective implementation of the national and/or regional strategic policy frameworks for research and innovation in the context of smart specialisation strategies.

Priority Axis 2 and 3 can be expected to complement actions and exploit results from **LIFE** and **LIFE Integrated Projects** and Horizon 2020 in the fields of environment protection, climate change, risk prevention, and resource efficiency. Moreover, complementarities may arise in relation to the actions for increasing security against disaster with the Internal Security Fund, which aims at increasing the capacity for managing risks

and crisis and preparing for protection of people and critical infrastructure against security related incidents.

Regarding Priority Axis 4, Italy–Croatia Programme aims at addressing issues such as maritime transport, , and multimodality: specific complementarities will be verified with the Internal Security Fund – Borders and Visa, through which the EU provides support to the EU Member States border management and maritime border surveillance systems in the Programme region.

Possibilities of interaction with other instruments are occasional and rather marginal, given the different programming goals.

6.2b Coordination mechanisms

Paragraph 6.1b applies.

6.3 Coordination with CEF, ENI, IPA and EDF

6.3a Synergies and complementarities

In order to create synergies and avoid double financing, but also to focus on issues such as Programme implementation, common management procedures, and project implementation Italy–Croatia Programme will seek exchanges with the managing authorities of other geographically overlapping territorial cooperation programmes, e.g. Italy–Slovenia, Slovenia–Croatia, Italy–Austria, ADRION, MED, ENICBC MED, etc.

Capitalization and communication activities as well as the implementation of strategic projects may foresee specific involvement or consultation of other programmes, especially the ADRION Programme. ADRION Transnational Cooperation Programme targets IPs where strong complementarities may arise (1b, 6c, 6d and 7c), and its geographical focus is strongly connected to the Adriatic Sea. Therefore, coordination with this specific programme will be of special attention.

Even if with a significantly larger geographical coverage, synergies can be identified with the Mediterranean Transnational Cooperation Programme which targets the enhancement of innovation, the development of responsible coastal and maritime tourism, the protection of biodiversity and development of low carbon transport systems. In case of ENI CBC MED programme, only Puglia region is part of both Programme's the core areas, some other Italian regions being included as adjoining regions

(Molise, Abruzzo, Marche, and Emilia–Romagna). Nevertheless, Italy–Croatia Programme will seek coordination with ENI CBC MED whenever relevant for (part of) the eligible area.

Thematic synergies may arise for Puglia region and the province of Campobasso in relation with the Italy–Albania–Montenegro IPA CBC Programme. This programme supports *inter alia* projects tackling challenges related to the access of SMEs to innovation, to the development of sustainable tourism and protection of cultural and natural heritage, water management, protection of marine and maritime landscapes and biodiversity, risk prevention and management, and sustainable transport. Taking into consideration the common characteristic of sharing the Adriatic Sea as a central element of the programme area, synergies between projects developed within Italy–Croatia and Italy–Albania–Montenegro Programmes are of special interest.

6.3b Coordination mechanisms

Paragraph 6.1b applies.

Additionally, MAs and JSs of territorial cooperation programmes will be addressed by the Italy–Croatia Programme in order to exchange information on applications and approved operations as well as to activate synergies between complementary operations implemented at the EU external borders.

6.4 Coordination with relevant national funding instruments that contribute to the same or similar objectives as the Cooperation Programme or complement its interventions

6.4a Synergies and complementarities

The Member States will take respective measures to coordinate activities under the Programme with national and regional funding instruments in place in their territory.

6.4b Coordination mechanisms

Paragraph 6.1b applies.

In order to ensure coherence and complementarity with national and regional policies in the projects evaluation phase, appropriate selection criteria assessing compliance with the provisions of national and regional planning documents will be activated.

7. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce the administrative burden.

Assessment of the administrative burden

Even if there is no previous direct implementation of the programme to refer to, the former experiences and evaluations of the other ETC Programmes operating in the area of the 2007–2013 programming period reveal that there is room for improvement both regarding the reduction of the administrative burden for beneficiaries and management efficiency.

In general, simplification is a request clearly expressed by the stakeholders during the drafting of the Cooperation Programme.

Simplification would be an improvement not only for the beneficiaries but also for the bodies in charge of the Programme implementation: simpler and quicker procedures shall contribute to the efficient Programme management.

The main charges for beneficiaries related to the administrative burden refer to:

- Searching for information on programme/procedures/calls for proposals;
- Size and complexity of information to be submitted at different steps of project implementation;
- Accounting management.

Searching for information on programme/procedures/calls for proposals

In some cases programmes web site are not well structured, making the searching of the necessary documentation difficult; moreover, the latest releases or updated information are missing, contributing to make the project implementation uncertain. Lack of summarized information able to allow potential applicants decide whether applying or not could have a discouraging effect.

Size and complexity of information to be submitted at different steps of project implementation

Often, due to a bad management of information, beneficiaries are requested to provide the same data in more than one document/form. In some cases, the requested information are not necessary as already available. A sound data management would allow to require data only once and to use better those already available and present in the certified data bases.

Accounting management

Lack of clarity or understanding of the eligibility of expenditure and accounting rules cause problems during controls, whose finalization require longer time.

The strategy for the administrative burden reduction will focus on:

1. Simplification of charges due to data requests and exchange of information;
2. Better definition of rules and procedures;
3. Reduced time for the implementation of administrative tasks.

In order to facilitate access to information on projects submission/project implementation the Programme website shall be regularly updated and organized in a way to guarantee the outmost transparency.

In the description of the management and control system the need of reducing administrative burden shall be taken in due account. In accordance with art. 122.3 of CPR, the project monitoring shall be supported by an informative system able to acquire, store and exchange all the necessary data and documents. The system shall:

- Use data already available and present in the certified data bases.
- Allow a complete workflow management, from the application submission to the project closure.

Special care will be paid to:

- simplifying the application and reporting procedures (simplification of documentation and needed data, on line services for application submission);
- simplifying the administrative procedures linked to the submission of the project proposals and their implementation through certified data bases, including the progressive use of electronic submission only (no paper documents will be required);
- fastening the decision making procedures related to the project approval, the first level control checks, and the payment procedures through a better set of rules;
- elaboration of clear rules on eligibility of costs will be provided in order to facilitate an harmonized approach in the entire Programme area;
- identification of the most suitable simplified costs options for eligible costs.

As far as the last bullet is concerned, the simplified cost options made available by CPR for ESI funds (Art. 67 and Art. 68 of CPR), by ECT Regulation (art. 19) and the specific rules on eligibility of expenditure laid down in the Commission Delegated Regulation (EU) No 481/241) have been taken into account along the drafting of the present cooperation programme.

In particular, in the implementation of the programme, the following options will be taken into consideration:

- options provided by *CPR, Art. 67 co. 1 b* (standard scales of unit costs) and *co. 1 d* (flat rate financing for defined cost categories);
- options provided by *CPR, Art. 68 co. 1.b*
- options reported in artt. 3.3 and 3.4 of the Regulation (EU) No 481/2014, for the reimbursement of staff costs the programme intends to use the having regard to the typology of projects, the intensive presence of use of staff in them, and the typology of assignments (full time or part time).

Simplified cost options shall be discussed with the Member States participating to the programme in order to identify the most suitable solutions aimed at reducing the administrative burden and eventual irregularities (error rate) on one side, and guaranteeing at the same time enough resources for the implementation of the activities on the other.

The programme shall draft the adopted rules on eligibility of expenditure in programme manuals and in other relevant sources of information deemed relevant for potential applicants and beneficiaries.

Targeted support will be provided to the first level controllers through provision of training, coordination meetings and harmonized documents.

Whenever possible and useful, the harmonized implementation tools (HIT) developed by INTERACT shall be used.

Further actions that could be implemented are:

1. elaboration of a multiannual planning of calls for proposals;
2. efficient communication on the information related to the calls for proposals management through the setting in place of adequate communication flows able to reach as many potential beneficiaries as possible;
3. transparent approach and participation of the interested applicants.

All the implemented activities shall be subject to further monitoring to measure their efficiency and effectiveness.

The programme shall define a time frame according to the measures to reduce the administrative burden to beneficiaries will be adopted.

Indicatively, the time frame would foresee:

- Searching for information on programme/procedures/calls for proposals: as from the launch of the first call for proposals;
- Size and complexity of information to be submitted at different steps of project implementation: as from the first call for proposal;
- Accounting management: as from with the launch of the first call for proposals;

- Electronic exchanges of information between beneficiaries and managing authority, certifying authority and audit authority: as from 31 December 2015 or, anyway, since the implementation of the Programme.

8. HORIZONTAL PRINCIPLES

8.1 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 principles are key importance for the Programme area, also due to the location of the Adriatic Basin in the centre of the territory. As explained in Section 1, Adriatic sea with its coast and islands is the most valuable, but also a most vulnerable natural system of the Programme area. It requires, on one hand, more efforts to ensure the compatibility between the development of economic, social, institutional activities and environmental protection. On the other, it is a joint economic and environmental asset, and a natural platform for cooperation building and long-dating trade exchange contacts reflected in some common traits of cultural heritage.

The sustainable development, as an horizontal principles in the Cooperation Programme, will be taken into due consideration during its implementation, monitoring and evaluation.

Since the Programme aims to improve the blue economy, the climate change adaptation, the protection and restoring of the biodiversity, the safeguard of the Programme area from natural and man-made disaster, the preservation and sustainable use of natural and cultural heritage, sustainable development is a cross-cutting issue which permeates all the SO. The challenges for reducing pollution and reducing the impacts of human activities can be better tackled by mean of use of green and innovative technologies, supported in particular by Ip 6f, where in particular actions aimed at developing small-scale innovative and environmental friendly technology and innovative actions aimed at improving the knowledge on the environmental quality are foreseen. Within Investment Priority 1b joint development and piloting of eco-innovative tools and processes will be encouraged; the specific objective 4.1 aims at improving the quality, safety and environmental sustainability of marine and coastal transport services by promoting the multimodality in the programme area.

Applicants will have to demonstrate the contribution of the proposed operations to sustainable development, in line with the scope of each Priority Axis .When submitting proposals, they will be asked to describe how the foreseen project activities and impacts will ensure the sustainability principle, that can't be reduced to a specific intervention but has to be considered an horizontal principle for the whole set of projects, adopting a comprehensive approach.

Applications will be evaluated taking into consideration this horizontal principle, more specifically, where relevant, their contribution to reduction of PM and NO₂, to climate protection and climate adaptation, or to energy efficiency; operations that may have a significant negative environmental or climate impact will not be admitted. On the other hand, the Programme will support actions aimed at mitigating any negative effect on environment. In the implementation of the project activities the use of green public procurement will be encouraged, and also the raising awareness of partners, beneficiaries and target groups on sustainability issues will be fostered.

The principles of sustainable development will be considered in terms of programme management arrangements: the Programme bodies will adopt a sustainable approach for the implementation of axis 5, i.e. putting in place procedures for the dematerialization of documents and communications.

The participation of the Programme partners to the activities of the Environment network (the Rete) will be encouraged.

8.2 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.

The Cooperation strategy aims at ensuring the principle of equal opportunities, as stated in Art. 7 of the Regulation (EU) No 1303/2013, also fighting against the causes of discrimination expressed under Art. 19 of the Treaty on the Functioning of the European Union ("combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation").

In the definition and implementation of the whole Programme strategy, socio-economic disparities, ethnic/religious/linguistic minorities and specific needs of particular target groups were taken into account.

As underlined in section 1 and in the SEA and ex-ante evaluation, economy of the Programme area is still affected by the economic crisis from 2008 which results in low level of competition in international markets and decrease of GDP growth rate. This crisis has increased poverty and social exclusion. The economic crisis has reinforced the need to develop new organization processes and knowledge based competitiveness, encouraging clusters among innovation players and the creation of innovative business and social models. This is the focus of Priority Axis 1, where awareness rising actions about social innovation opportunities and challenges (i.e. e-health and education) will be encouraged.

Social innovation (to meet needs related to societal changes) and ITC (aimed at developing applications and services to support social cohesion and e-health), are

cross-cutting issues; in general, the strategic orientation of the Programme aims also to reinforce social cohesion.

Necessary measures to prevent any discrimination based on disability will be adopted. Accessibility will be improved through actions connected with the usability of the cultural and natural heritage destinations (SO 3.1), and actions aimed at enhancing services for passengers (IP 7c). Projects will provide full accessibility of outputs and results to all citizens including disabled.

Another important element is represented by national minorities. Italians in Croatia are a recognized part of the population especially in Istria County while Croats are present in some villages in Molise where language and traditions are preserved and valorized at local level. Priority Axis 3 (SO 3.1) foreseen actions aimed at increasing the value of this cultural and traditional heritage.

Applicants will have to describe how the principles of equal opportunity and non-discrimination are granted in the project, and the operations funded will have to guarantee that activities will be in line with these principles.

8.3 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.

Art. 8 of the Treaty on the Functioning of the European Union and art. 7 of the Regulation (EU) No 1303/2013 underlines the importance of this principle. The introduction of the gender perspective in the whole Programme strategy and its implementation means, first of all that, Programme management bodies will ensure attention on integrating equal participation of women and men in organization and procedures. Appropriate steps will be taken to prevent any discrimination based on sex; attention will be placed on basic gender-sensitive monitoring. Projects will be encouraged to foster gender mainstreaming as set out in the EQUAL Guide on Gender Mainstreaming, by promoting equality between men and women in each phase of project cycle - design, implementation, monitoring and evaluation.

Applicants will be required to ensure the respect of this principle, describing how equality between men and women will be ensured in the project implementation. The selection procedures and criteria will include elements related to gender equality and non-discrimination.

9. SEPERATE ELEMENTS

9.1 Major projects to be implemented during the programming period

Table 23: List of major projects

Project	Planned notification / submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority axes / Investment priorities
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9.2 Performance framework of the cooperation programme

Table 24: Performance framework (summary table)

Priority axis	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
PA 1 – BLUE INNOVATION	1PF6	Financial	EUR	2.842.690,3	28,426,903.00
PA 1 – BLUE INNOVATION	1PF7	Number of enterprises receiving non-financial support	Enterprises	0	30.00
PA 1 – BLUE INNOVATION	1PF8	Number of research institutions participating in cross-border, transnational or interregional research projects	Organizations	0	10.00
PA 1 – BLUE INNOVATION	1PF9	Number of enterprises receiving non-financial support involved in the funded operations	Enterprises	10	30.00
PA 1 – BLUE INNOVATION	1FP10	Number of cross-border, trans-national or interregional research projects started	Projects	2	5.00
PA 2 – SAFETY AND RESILIENCE	2PF1	Financial	EUR	3.020.358,3	60,407,166.00
PA 2 – SAFETY AND RESILIENCE	2PF2	Climate change monitoring systems put in operation	Number	0	5.00
PA 2 – SAFETY AND RESILIENCE	2PF3	Plans of adaptation measures put in place	Number	0	5.00
PA 2 – SAFETY AND RESILIENCE	2PF4	People reached by initiatives for increasing awareness	Number	5.000,00	100,000.00
PA 2 – SAFETY AND RESILIENCE	2PF5	Preparatory technical documents for putting in operation the climate change monitoring systems	Number	2	7.00
PA 2 – SAFETY AND RESILIENCE	2PF6	Plans adaptation measures being drawn up	Number	2	5.00
PA 3 – ENVIRONMENT AND CULTURAL HERITAGE	3PF1	financial	EUR	5.803.825,79	82,911,797.00
PA 3 – ENVIRONMENT AND CULTURAL HERITAGE	3PF2	Open building sites for the improved accessibility in the selected cultural and heritage destinations	Number	5	10.00
PA 3 – ENVIRONMENT AND CULTURAL HERITAGE	3PF5	Natural and cultural heritage destinations with improved accessibilities (e.g.: to disabled tourists, virtual tourists etc.) in place	Number	0	10.00
PA 3 – ENVIRONMENT AND CULTURAL HERITAGE	3PF6	Natural ecosystems supported in order to attain a better conservation status	Number	2	6.00
PA 3 – ENVIRONMENT AND CULTURAL HERITAGE	3PF9	Approved projects in order to implement environmental friendly technological solutions (and approaches)	Number	2	3.00
PA 3 – ENVIRONMENT AND CULTURAL HERITAGE	3PF10	Cultural and natural heritage (tangible and intangible) promoted	Number	5	20.00
PA 3 – ENVIRONMENT AND CULTURAL HERITAGE	3PF11	Environmental friendly technological solutions (and approaches) implemented	Number	0	3.00
PA 4 – MARITIME TRANSPORT	4PF1	Financial	EUR	2.546.576,6	50,931,532.00
PA 4 – MARITIME TRANSPORT	4PF2	Approved projects aimed at improving multimodal transport services	Number	2	10.00
PA 4 – MARITIME TRANSPORT	4PF3	Analyses for the harmonization services	Number	2	4.00
PA 4 – MARITIME TRANSPORT	4PF4	Improved multimodal transport services	Number	0	5.00
PA 4 – MARITIME TRANSPORT	4PF5	Harmonized services for passengers put in place	Number	0	4.00

9.3 Relevant partners involved in the preparation of the cooperation programme

According to the European code of conduct on partnership Regulation (EU) n. 240/2014, the Stakeholder list include all of the relevant partners (both Italians and Croatians). In particular the following typologies of partners are included:

A. Competent regional, local, urban and other public authorities

National authorities

Regional authorities NUTS II level

Public authorities NUTS III level

Local authorities

Universities and Research Centres

Public authorities responsible for the application of horizontal principles

B. Economic and social partners

Trade unions

Entrepreneurs associations

Chambers of commerce

C. Bodies representing civil society

Non-governmental organizations

Environmental associations

Local action groups

Groups considered to be at risk of discrimination and social exclusion

9.4 Applicable programme implementation conditions governing the financial management, programming, monitoring, evaluation and control of the participation of third countries in transnational and interregional programmes through a contribution of ENI and IPA resources

Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
MC decision by Written Procedure on the modification of the CP	Confirmation of agreement in writing to the contents of the cooperation programme	15-Oct-2018		Ares(2018)5325361	MC decision by Written Procedure on the modification of the CP MC decision by Written Procedure on the modification of the CP	17-Oct-2018	ncvallau

Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Final report of the ex-ante evaluation with an executive summary	Report of the ex-ante evaluation	1.1	13-Nov-2015		Ares(2015)5071337	IT-HR_Exante Final report	13-Nov-2015	npnicoli
A map of the area covered by the cooperation programme	A map of the area covered by the cooperation programme	1.1	13-Nov-2015		Ares(2015)5071337	IT-HR CBC PROGRAMME MAP	13-Nov-2015	npnicoli
Citizens' summary of the Cooperation Programme	Citizens' summary	1.1	13-Nov-2015		Ares(2015)5071337	Citizens' summary	13-Nov-2015	npnicoli
MC decision by Written Procedure on the modification of the CP	Confirmation of agreement in writing to the contents of the cooperation programme	4.1	15-Oct-2018		Ares(2018)5325361	MC decision by Written Procedure on the modification of the CP MC decision by Written Procedure on the modification of the CP	17-Oct-2018	ncvallau
Programme Snapshot of data before send 2014TC16RFCB042 4.1	Snapshot of data before send	4.1	17-Oct-2018		Ares(2018)5325361	Programme Snapshot of data before send 2014TC16RFCB042 4.1 it	17-Oct-2018	ncvallau

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Info		Programme version has been validated.