Interreg

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Italy – Croatia

INTERREG PROGRAMME

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CATCHING THE WAVES OF COOPERATION

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NUTS regions covered by the Programme:

ITF12 - Teramo
ITF13 - Pescara
ITF14 - Chieti
ITF22 - Campobasso
ITF44 - Brindisi
ITF45 - Lecce
ITF46 - Foggia
ITF47 - Bari
ITF48 - Barletta-Andria-Trani
ITH35 - Venezia
ITH36 - Padova
ITH37 - Rovigo
ITH4 - Friuli-Venezia Giulia
ITH41 - Pordenone
ITH42 - Udine
ITH43 - Gorizia
ITH44 - Trieste ITH56 - Ferrara
ITH57 – Ravenna
ITH58 - Forlì-Cesena
ITH59 - Rimini
ITI3 - Marche
ITI31 - Pesaro e Urbino
ITI32 - Ancona
ITI33 – Macerata
ITI34 - Ascoli Piceno
ITI35 – Fermo

HR027 - Karlovačka županija
HR03 - Jadranska Hrvatska
HR031 - Primorsko-goranska županija
HR032 - Ličko-senjska županija
HR033 - Zadarska županija
HR034 - Šibensko-kninska županija
HR035 - Splitsko-dalmatinska županija
HR036 - Istarska županija
HR037 - Dubrovačko-neretvanska županija

Strand: Strand A: CB Cross-Border Cooperation Programme (ETC, IPA III CBC, NDICI-CBC)

EU Regulation Specific Objective *used throughout the present document*	Programme priority *used in Programme documents*	Programme Specific Objective *used in Programme documents*
RSO 1.1 Developing and enhancing research and innovation capacities and the uptake of advanced technologies	1 - Sustainable growth in the blue economy	SO 1.1 Research and Innovation
RSO 1.4 Developing skills for smart specialisation, industrial transition and entrepreneurship		SO 1.2 Skills for smart specialisation
RSO 2.4 Promoting climate change adaptation and disaster risk prevention, and resilience, taking into account eco-system based approaches	2 - Green and resilient shared environment	SO 2.1 Climate change adaptation and disaster risk prevention
RSO 2.7 Enhancing protection and preservation of nature, infrastructure, including in urban areas, and reducing all forms of pollution		SO 2.2 Protection of nature, biodiversity and pollution reduction
RSO3.2. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TENT and cross-border mobility	3 - Sustainable maritime and multimodal transport	SO 3.1 National, Regional, local and cross border mobility
RSO 4.6 Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	4 - Culture and tourism for sustainable development	SO 4.1 Culture and sustainable tourism
ISO1 Better cooperation governance	5 - Integrated governance for stronger cooperation	SO 5.1 Better cooperation governance

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1 JOINT PROGRAMME STRATEGY MAIN DEVELOPMENT CHALLENGES AND POLICY RESPONSES

1.1. Programme area (not required for Interreg C programmes)

Reference: point (a) of Article 17(3), point (a) of Article 17(9)

The maritime cross-border area between Italy and Croatia, representing the Interreg Italy - Croatia Programme area, covers the following NUTS III regions[1]:

Italy: Teramo, Pescara, Chieti (Abruzzo Region), Brindisi, Lecce, Foggia, Bari, Barletta-Andria-Trani (Apulia Region), Ferrara, Ravenna, Forlì-Cesena, Rimini (Emilia-Romagna Region), Pordenone, Udine, Gorizia, Trieste (Friuli Venezia Giulia Region), Pesaro e Urbino, Ancona, Macerata, Ascoli Piceno, Fermo (Marche Region), Campobasso (Molise Region), Venezia, Padova, Rovigo (Veneto Region);
Croatia: Primorsko-goranska, Ličko-senjska, Zadarska, Šibensko-kninska, Splitsko-dalmatinska, Istarska, Dubrovačko - neretvanska (Adriatic Croatia region), Karlovačka (Pannonian Croatia region).

As such, the Programme area spreads over 85,562 km2 and has a total population of 12,292,116 inhabitants. The average population density is of 143.66 inhabitants per km2, with the majority living in Italian regions - around 88%.

The Croatian part of the Programme area includes 65 towns and 177 municipalities. Main urban areas are Split (178,102 inhabitants), Rijeka (128,624 inhabitants), Zadar (75,062 inhabitants), Pula (57,460 inhabitants), Karlovac (55,705 inhabitants) and Dubrovnik (42,615 inhabitants). The Italian part encompasses 25 provinces and 1.267 municipalities while main urban areas are Bari (316,491 inhabitants), Venice (259,961 inhabitants), Padua (209,995 inhabitants), Trieste (202,351 inhabitants), Ravenna (158,923 inhabitants), Foggia (150,652 inhabitants), Ferrara (132,931 inhabitants), Pescara (120,463 inhabitants), Ancona (99,307 inhabitants), Udine (100,467 inhabitants).

The Programme territory spreads around the Adriatic Sea, which constitutes a joint economic and environmental resource and a natural link able to foster cooperation. The Adriatic Sea, with its total area of 138,595 km² and an average width of 170 km, is also rich in flora and fauna and features great possibilities for the development of the Blue economy.

The Programme area in Croatia is mainly composed of mountain areas, due to the presence of the Dinaric Alps, while in Italy it generally consists of plains, with the exception of some parts of the territory, which feature mountain zones of the pre-Alps and the Apennines.

[1] Decision (EU) 2022/75

1.2 Joint programme strategy:

Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the Programme area as a whole or partially is covered by one or more strategies.

Reference: point (b) of Article 17(3), point (b) of Article 17(9)

INTRODUCTION[2]

The definition of the joint Programme strategy has been grounded on the results of the **Territorial and Socio-Economic Analysis Report** which was prepared by an external evaluator and thoroughly discussed in Task Force. This paragraph provides some of the main conclusions and highlights the emerging needs and challenges for the Programme area, which guided the choice of Policy and Specific Objectives.

The report is enclosed to the Programme to provide more comprehensive information on the results of the study, the SWOT analysis and the identified challenges.

ECONOMIC DEVELOPMENT

The Programme area features a heterogeneous **socio-economic framework**. In terms of GDP per capita, the Programme territory generally stands below EU standards, with only few Italian NUTS 3 regions outperforming the EU average in 2018 and 6 out of 8 Croatian NUTS 3 regions still below the 50% of the EU average in the same year. However, in the 2014-2018 period the Programme area has seen a net increase of the GDP per inhabitant in all its territories, with the Croatian area recording a medium increase of 21.7% and in Italy a raise of 8.7%. The most significant increases have been observed in Zadarska (+38.3%) and Dubrovačko-neretvanska (+33%) for Croatia, along with Bari (+11.7%) and Pordenone (+11.8%) for Italy. With regard to employment, the Programme area in general rates below EU average, with the southern regions of Italy featuring the worst levels. The Programme territories also show different levels of business population growth, with Croatia reporting an average decline of 8.10% in 2018 while Italy a marginal increase of 0.24%.

It shall be underlined that the **Blue economy** represents a crucial sector for the Programme area. Indeed, at the national level, the sectors of the Blue economy employ more than 500,000 workers in Italy and more than 150,000 in Croatia, according to the 2020 “EU Blue Economy Report”. In particular, the highest share of employment is registered in the coastal and island tourism sector, which employs 307,284 persons in Italy and 123,962 in Croatia. Port activities, shipbuilding, repair, and maritime transports represent the second most relevant domain in both Member States, while the marine energy sector is still substantially inactive.

[2] The source of all reported data is the Territorial and Socioeconomic Analysis Report.

Regarding the labour market, since the outbreak of the economic crisis in 2008, both Italy and Croatia had to face considerable negative effects reflected in the inter-regional disparities in terms of employment rates persisting until 2019.

In the Programme area, the situation of the labour market is also strictly linked to the status of **small and medium-sized enterprises**, which represent the backbone of the economy for both countries: SMEs represent 99.9% of the total number of enterprises in Italy and 99.7% in Croatia, employing respectively 78.1% and 68.9% of the total number of private sector workers, more than the average EU level. In terms of the value added, SMEs bring 66.9% of the national total in Italy, while in Croatia they contribute 59.4% (EU average is 56.4%). Although SMEs play a substantial role in both economies of Italy and Croatia, the area features relevant regional differences and trends in terms of **business demography**.

In the 2014-2018 period, the number of businesses on the Croatian side has significantly decreased, while Italy has registered an increase in the majority of NUTS-3 regions. In addition, the Italian area features a higher survival rate of SMEs after three years in comparison to Croatia.

It is worth mentioning that the SMEs in the area demonstrate good **innovation capacities**. However, although all regions perform well in terms of marketing and organisational innovation, only some of them show high levels of expenditure on product and process innovation.

The Programme area in general lies below the EU average on most indicators related to **Research and Innovation**, with significant disparities among regions. According to the 2019 Regional Innovation Scoreboard (RIS) of the European Commission, the cooperation area as a whole can be considered a moderate innovator, with some regions performing very well in terms of basic research. On the contrary, lower performances can be observed in terms of public-private collaboration, applied research, and technological transfer. Furthermore, the level of R&D expenditure of the area lags behind EU levels, since it accounts only for 1.42% of the overall Programme regions' GDP, against the 2.18% of the EU average.

Both Italy and Croatia are below the EU average in the percentage of employees in high and medium-high technology manufacturing and knowledge-intensive services, with Italy scoring 41.8% and Croatia 39.5%. Moreover, the entire Programme area shows low levels of people with tertiary education and a net decrease in the number of PhD students in the 2013-2018 period. In this framework, **Smart Specialisation Strategies** (S3) are expected to be a strong driver for the governance of innovation processes, and **Blue Economy** should play an important role, as reported during the consultation process, due to its strong focus on marine living resources, coastal and island tourism, maritime transport, extraction of natural resources. Nonetheless, the priorities selected within the existing S3 strategies are widely dispersed within the Programme area and thus missing an integrated territorial approach.

MAIN CHALLENGES AND JOINT INVESTMENT NEEDS

Regarding to the labour market, the issue of diversification of employment perspectives can be effectively tackled by the Programme in those sectors that have major relevance on the overall competitiveness of the cooperation area, such as the blue economy and social economy. Although the gap in terms of the employment rate of vulnerable economic groups is recently decreasing, better job perspectives for youth/ NEET, women and elder persons are needed. By reinforcing the collaboration process among strategic players from the two countries, such as public bodies, research institutes and the private sector, the Programme can also foster the attraction and maintenance of a higher number of young researchers in the local economy through actions aimed at widening career perspectives towards market-oriented research and cross-border research projects.

Being SMEs a driving force for the growth of the Programme area, it is important to promote better collaboration practices to foster innovation in competitive domains. Indeed, a higher level of cooperation between SME could enhance their competitiveness and their innovation capacities. In addition, the national and regional S3 strategies could play an important role in the development of the area: in this regard, a better governance of smart specialisation processes focused on improving human resources skills and developing business initiatives represents a crucial investment need.

The most important issue for Research and Innovation consists in investing in the capacity of research to activate dynamics of technological transfer, especially for the sectors of the Blue Economy, which can be achieved by ensuring a stronger dialogue of the quadruple helix actors and targeting the available private and public financial resource for R&D, as well as through the already mentioned higher qualification of the human capital. The investments in R&I could also contribute to the development of innovative and sustainable solutions promoting the transition towards green economy, thus supporting the EU Green Deal implementation.

ENVIRONMENT, ENERGY AND GREEN POLICIES

Climate change and **disaster risk prevention** are amongst the highest priorities for the Programme area because of its rich but fragile natural heritage. Moreover, the regions involved are reported as medium/highly exposed to the consequences of climate change including, particularly, the sea-level change in the Adriatic: in 2100 a rise of 0.5m is forecasted compared to the 0.2/0.3m increase recorded between 1970 and the present day. Moreover, the rise of extreme weather patterns between 1980–2019 caused fatalities and economic damages in both countries (even if much higher in Italy). In addition, there are risks not only associated with climate change related hazards but also equally impacting. One of the most relevant, also in a cross-border scope, is the earthquake risk, which is highly assessed in both countries, while coastal erosion is very important but much more relevant for Italy. The interest of the territory in these topics is also witnessed by the previous Italy-Croatia 2014-2020 Programme, which financed 9 projects on improving climate change monitoring and planning and 7 on increasing safety from natural and man-made disasters.

Climate issues are strictly connected with a wider range of domains such as energy, water management, biodiversity protection, and pollution limitation.

As far as **energy** is related, a standing point in EU policies is to increase the **energy efficiency** of buildings as stressed by the European Green Deal, the Directive 2010/31/EU and the Communication 2020/662. In the Programme area an effort towards the increase of “nearly-zero energy buildings” (NZEB) is evident: in Italy, in 2016 it represented over 20% of the construction market while in Croatia the value was sitting slightly below this threshold; it is expected that further results will be reached starting from 2019 when all new public buildings shall be NZEB (the private ones starting from 2021). As for the total rate of energy-related renovations (2012-2016 period), both countries exceed the EU average but only Italy outperforms also in “deep” renovation (Primary Energy savings > 60%). Despite the efforts made, the Commission has calculated the likelihood of meeting the national energy savings obligation by December 2020 as “unlikely” for Italy and “very unlikely” for Croatia.

Both countries have also implemented national plans for reducing greenhouse gas emissions and increasing the use of **renewable energy sources (RES)** and biofuels as foreseen in the Union strategy published in 2015 (European Commission communication COM/2015/080). According to the latest Renewable Energy Progress Report issued by the European Commission in 2019, Italy and Croatia have already achieved a share of renewable energy in gross final energy consumption corresponding to their 2020 target but the extent of the growth in the past 10 years is different: while Italy registered a net increase of 40.35%, in Croatia the increase has been less remarkable (16%). The growth of RES-based supply in the two countries remains slower than the EU-27 average and the usage of offshore marine renewable energy is nearly absent in the two countries, despite the huge potential of their territories.

Both energy efficiency and renewable energy sources are crucial to ensure good **air quality**. In this regard, each of the two countries has approved a National Air Pollution Control Programme (NAPCP), which is the main governance instrument by which EU Member States must ensure that the emission reduction commitments for 2020-2029 and 2030 onwards are met. Moreover, both Italy and Croatia have adopted Air Quality Plans aimed at reducing concentrations of air pollutants in the most polluted zones and agglomerations.

The issue of **water management** was harmonized at the EU level with the Water Framework Directive, for high quality and low environmental impact, and with the Council Directive 98/83/EC which focuses on drinking water, safeguarding human health from contaminations. In this field, the Programme area reported many differences. As far as it concerns the quality of groundwater bodies in 2019, Italy shows high standards in the North and lower standards in central and southern regions, while the overall situation in Croatia is really positive. With respect to the quality of drinking water, instead, the data shows that the level of purity of water in Italy (2013, latest available data) is generally higher than in Croatia (2017). Furthermore, although both countries have shown improvements in terms of their respective numbers of monitoring sites, in 2019 the increase in Croatia appears to be marginal compared to the one in Italy.

Given the maritime dimensions of the area, in terms of water it is also essential to the **environmental quality of the Adriatic Sea**, which indeed is strongly monitored under the Barcelona Convention, established the Mediterranean Action Plan (MAP), and under the EU Marine Strategy Framework Directive 2008/56 (MSFD) for protecting the sea basins of Europe. The report produced within MAP (2017) and MSFD (2020) provides a fairly reassuring picture with some quite localized pollution problems (e.g., the level of concentration of lead and mercury in sea sediment and the levels of floating litter locally in the whole area; a critical share of plastic and a decrease in most commercial fish stock on the Italian territory).

In terms of **natural heritage** and **biodiversity**, the Programme area is one of the richest in Europe, with its inland and marine national protection schemes (national parks, Natura 2000 and UNESCO sites, Fishery Restricted Area (Jabuka/Pomo Pit) etc.). As stressed by the 2015 WWF report, the Adriatic Sea hosts more than 7,000 species (many of which are critically endangered) and 410 types of fish, partially threatened with extinction due to overfishing. The richness of the regions' natural heritage strongly influences their territorial attractiveness and economic opportunities, and it also explains the interest of the previous Italy-Croatia 2014-2020 Programme that financed 8 projects dedicated to protection and restoration of biodiversity, creating a cross-border observing system and strengthening the monitoring and assessment capabilities. The IP 2021-2027 will continue to support biodiversity dedicating a planned contribution to biodiversity objectives representing 29.27% of the total ERDF (based on related calculation methodology).

MAIN CHALLENGES AND JOINT INVESTMENT NEEDS

Considering that **climate change** is a global challenge that cannot be tackled solely at the level of the area, this issue could be addressed in the context of the 2021-2027 Italy-Croatia Programme mainly aiming to increase **monitoring systems and knowledge base** (as it is also indicated as one of the main priorities by the EU Climate Adaptation Strategy) and to strengthen **coordination of adaptation plans** by sharing methodologies, processes, and resources. The Programme area could be also encouraged to improve the effectiveness of protection systems from disaster risks. This goal is indicated as a global priority also in the United Nations' Agenda 2030 that stress the importance of "strengthening resilience and adaptive capacity to climate-related hazards and natural disasters in all countries". Thus, joint investment needs imply better coordination of civil protection strategies throughout all the phases: from risk assessment and definition of protocols and equipment supplies to post-disaster management.

Sharing data and harmonising monitoring procedures could also help to improve the knowledge base and the efficacy of public policies concerning the protection of **biodiversity**. The Programme could aim to enlarge the research base available on maritime ecosystems and coastal environment to make institutional policies more efficient as to nature protection, biodiversity and pollution reduction, especially preserving sea habitats from maritime traffic and the arrival of alien fauna in the basin.

Other relevant issues in this domain are related to the need of improving **water management infrastructures**, enhancing **energy efficiency**, although these kinds of activities are less feasible to achieve in the context and within the budget of a CBC Programme.

EDUCATION, SOCIAL INCLUSION AND HEALTHCARE

With regards to main **education**-related indicators, the area remains relatively distant from the EU average, although significant progress has been made while some important internal regional disparities remain. Regarding the percentage of the population having attained tertiary education, despite an increase in the last years up to 2019, results in all participating regions are lower than the EU-27 average.

The education and training sector has been seriously conditioned by the COVID emergency and, in particular, the lockdown forced a need for a fast transition towards digitalisation. However, not all the regions managed to do this shortly, especially those where **digital education** is less mature, and the significant geographical disparities in terms of access to education resulted in an uneven digital transition both in Italy and Croatia.

In this macro-domain, as concerns policies for **national minorities, third-country nationals and marginalised communities**, Italy and Croatia have been actively involved in promoting such policy interventions for over two decades. Regarding to the number of persons at **risk of poverty or social exclusion**, instead, there are more disparities among regions and there is a general need to continue social actions aimed at cushioning the negative effects of poverty and marginalization on those communities, particularly on the elderly, Roma and other national minorities.

Finally, both countries have **immigration** as a common issue, although with important differences in terms of migration flows. Italy is a 'country of first arrival' in the context of the Central Mediterranean route. Croatia, instead, is a 'transit country' as part of the western Balkan route. Another difference deals with the number of resettled persons, that in Croatia since 2014 has not increased, while Italy has registered a strong growth (even if lower than the EU-27 average in 2019). However, in both countries, the number of third- country nationals refused entry at external borders is increasing.

Coming to **public health**, the pandemic has highlighted the importance for each country to ensure the resilience of healthcare systems along with accessibility, quality of care and efficiency of the performance. As for the situation before the COVID-19 crisis, the number of medical doctors per hundred thousand inhabitants has grown steadily over the past years, highlighting the different situations of the two Member States: while Adriatic Croatia is on the lower end of the spectrum, Italian regions are closer to European standard. In general, it is highlighted that the health system needs policies of modernization and alignment with the need of a changing society.

MAIN CHALLENGES AND JOINT INVESTMENT NEEDS

Given that it is essential for the Programme area to continue to improve the education- related indicators for getting closer to the EU-27 average, the main issue in this domain is to close the gap between the education system and the needs of the labour market, especially considering the strategic trends towards a more sustainable and ICT based economy. Thus, the joint investment needs are aimed to increase digitalisation and to renew educational programmes (including training and lifelong learning) in order to better focus on green competencies and digital skills. Providing the needed human capital is crucial for the territory as stressed by stakeholders during the consultation process. Moreover, a qualified human capital could favour the diffusion of innovative concepts and expertise related to green economy. In this regard, the Programme could contribute to the achievement of these objectives mainly by involving the unemployed, NEET, women and young people in the development of relevant skills, supporting the exchange of know-how among SMEs and improvement of human resources knowledge in relevant domains such as the tourism sector.

For what concerns social and health issues, the territorial analysis documented a need to improve the integration of marginalised communities and disadvantaged groups, such as the elderly, Roma and other national minorities, and to guarantee a better accessibility to public services, taking into account the ongoing changes in society, such as the ageing of the population and the consequences of climate change. Nonetheless, social and health objectives were considered less relevant during stakeholders' consultation due to the presence of other programmes and political instruments that can better tackle these issues.

CONNECTIVITY AND TRANSPORT

The Programme area is crossed by three of the **TEN-T** land Core Network Corridors, though not homogenously: the Scandinavian-Mediterranean corridor connects the Italian peninsula with northern Europe but it excludes a large part of the Adriatic Regions; the Baltic-Adriatic corridor connects the Italian shores of northern Adriatic to north-central Europe and all the major Italian ports are involved (Trieste, Venezia, and Ravenna); finally, the Mediterranean corridor, that goes from Gibraltar to Hungary, covers northern Italy and the only Croatian part of the Programme area by connecting the port of Rijeka to Zagreb. In terms of maritime connections, the Programme area is, alternatively, fully integrated into the Motorways of the Sea framework – defined by the Reg. (EU) No 1315/2013 as the maritime pillar of the TEN-T network – especially with a corridor for intermodal connections, focusing on the ports of Venice, Trieste, and Rijeka.

Transport also plays an essential role in the sustainable development of European space. The Commission's communication "Sustainable and Smart Mobility Strategy - putting European transport on track for the future" considers increasing high-speed rail traffic, deploying automated mobility at a large scale, and doubling rail freight traffic as some of the main targets in the domain. However, **local and regional mobility** in the Programme area is focused mainly on private means (with the use of electric cars below the EU average for both countries) and much less on buses and railways. For instance, only 6.2% of people in Italy and 2.4% in Croatia use trains, compared to the EU-27 average 7.8%. Some critical aspects of the area concern cross-border mobility, both regarding public transport connections and road infrastructure for private mobility. In regards to this issue, the lack of motorways connecting the two countries (despite some important initiatives as the Adriatic-Ionian motorway Project) forces traffic on national roads creating severe bottlenecks, especially during tourism season. Concerning the railways, the absence of direct trains from Trieste to the Croatian coastal cities and fast connections is, on the contrary, detectable. As for air mobility, few seasonal direct flights were connecting the Italian and Croatian sides of the Programme area even before the COVID crisis (despite the presence of 15 active airports). A similar situation concerns maritime connections: even if there are 25 ferry connections, their seasonal character contributes to their overburdening during certain periods and a lack of them in others. At the same time, even if there are 29 main ports handling passenger traffic, only 9 of them, mainly localized in the southern regions of the Adriatic, handle cross-border passengers. This leads to the absence of a maritime alternative to the seasonal road traffic and bottlenecks over the Slovenian borders.

The effort towards more sustainable transport also concerns **green urban mobility** that is strongly connected with climate change and environmental degradation. This is underlined by the European Commission in its guidelines on Sustainable Urban Mobility Plans (SUMPs), which encourages the development of transport solutions that could balance the need for economic viability, health, and environmental quality. Many SUMPs have been implemented under the initiative CIVITAS, a network of European cities co- financed by Horizon 2020 that aims to test and implement measures to reduce traffic congestion and pollution. 15 cities of the Programme area are included in this network.

Italy – Croatia

As far as **urban mobility** is concerned, Italy and Croatia have similar problems to address. Traffic congestion is perceived to be a critical issue, together with a slow rise of renewable energy use, due to which the countries failed the EU 2020 target in this domain. At the same time, consumer satisfaction with urban transport is among the lowest in Europe (especially in Italy), and public transportation is less used than private vehicles. The number of cars for inhabitants is indeed higher than the EU 27 average. Nevertheless, there are also some differences between the two countries regarding urban cycling infrastructure, with Italian coastal regions performing better (having around 1,000 km of bicycle roads already built). The number of electric cars for inhabitants is also higher in Italy than in Croatia (5.79 per 100k inhabitants in Croatia, versus 27.75 in Italy).

COVID-19 seriously impacts the sector. Even if the entire effects are still unclear, it is possible that the global pandemic could influence future policies of countries in this domain. The restrictions due to the lockdown reduced connections between the two countries. In addition, the pandemic has had a negative impact on green urban mobility, drastically limiting the use of public and shared transport, thus increasing the use of private cars that were already widespread in the area before the pandemic.

Regarding **digital connectivity**, both countries show good results. 85% of the Programme area's households have internet access, while 98% benefit from a broadband connection that guarantees reliable and stable connectivity. However, noticeable disparities between regions can be found in Puglia, Molise, and Kontinentalna Hrvatska, scoring at a significantly lower rate. There is also a lack of infrastructure in the most remote territories, such as mountains, islands, and rural areas. Furthermore, both Italy and Croatia show low levels of speed (100 Mbps) of fixed broad bands and, as concerns Croatia, the preparedness for the 5G integration has reached 100%. In addition, concerning the population's internet usage, Italy and Croatia are well-performing, even if in Italy the number of persons using the internet outside home or work is lower than the EU average.

MAIN CHALLENGES AND JOINT INVESTMENT NEEDS

As concerns digital connectivity, the area shows the need for increasing internet access and a broadband connection, especially in areas lacking digital infrastructure. Actually, the pandemic significantly increased the need for efficient and fast networks because it leads to wider use of internet in every domain of society.

Anyway, it has to be said that issues related to connectivity and transport often require large investments and seem therefore less feasible to be faced in a CBC Programme. In this sense, the new IP could better contribute to increase sustainability and quality of transport services in limited areas and fields of intervention, especially by exploiting the opportunities coming from new digital solutions.

With specific regard to ports, they register a positive development trend, but they also show the need for a more sustainable and ICT-based infrastructure. Moreover, there is a common need to invest in a sea-land coordinated approach and improvement of multimodal capabilities to allow a smooth integration between the needs of the local community and those of the port logistics that must manage a high volume of maritime traffic. Indeed, the territory's strength in these regards showcases inclination for ports' cooperation, as demonstrated by some ADRION and Italy-Croatia projects financed in the 2014-2020 programming cycle.

Another critical issue concerns the excessive use of private cars to be reduced towards more sustainable collective options such as rail and maritime transport. For this reason, it should be necessary to invest in the improvement of infrastructure and in developing alternative and multimodal solutions that, given the area's context, must undergo an improvement in cross-border connections. In this field the Programme could focus on improving maritime mobility solutions, which are still geographically limited, conditioned by seasonality, and often of low quality and not very sustainable. The presence of several existing projects in this domain (also from the Italy-Croatia 2014-2020 Programme) represents a good starting basis for this joint investment need. The "green transition" is also the main challenge for local mobility where it is essential to promote public transport based on an ever-increasing use of renewable energies. Thus, it is necessary to develop more attractive alternative solutions to substitute private cars (for instance, modernisation of public transport and development of cycling paths). Another goal in this regard is to increase the use of electric cars by installing more charging points and infrastructure in general.

INTEGRATED TERRITORIAL DEVELOPMENT

Both Italy and Croatia have a variety of integrated strategies that can fit within the concept of sustainable and integrated territorial development expressed in the draft Regulation for ERDF for the 2021-2027 period.

Nevertheless, there is currently no indication of any cross-border and cross-sectorial strategies in the Programme area that would fit the definition of Art. 20 and 21 of the 2021- 2027 Interreg Regulation. Furthermore, no specific functional sub-area has appeared since the launch of the first CBC Interreg Programme between Italy and Croatia.

Overall, implementing integrated territorial development strategies within a maritime CBC Program seems unlikely to succeed. Certainly, the area might benefit from exchanging good practices regarding integrated territorial development, but for these purposes, using the ISO 1 (Interreg Specific Objective) "Better Cooperation Governance" seems to be more feasible.

CULTURE AND SUSTAINABLE TOURISM

In terms of general economic and social context, it is important to mention that the **COVID- 19 pandemic hit the tourism sector** in an unprecedented way. According to UNTWO, the entire 2020, Italy saw –61% and USD 50 million drops in tourism visits compared to the previous year, while Croatia registered a drop of –68% and USD 10 Million. In this context, UNTWO urges countries to recognize culture as vital to our well-being, as most of the creative industries were indispensable during confinement times. In its recovery plan, UNTWO recommends countries to reinforce previous commitments made towards creating participatory governance, consolidate responsible tourism, use cultural products for the recovery of impacted heritage-dependent communities, reinforce the urban-rural links, safeguard nature and intangible heritage, and build resilient competitiveness through digitalisation. The **richness of the material cultural heritage of the Area** is probably beyond comparison at global level: it includes not less than 17 UNESCO World Heritage sites inscribed under the criteria of outstanding universal value. The **richness extends to the intangible cultural heritage**: it includes 19 traditions, of which 2 transnational covering both sides of the border (the "Mediterranean diet" and the "art of dry stone walling"). Concerning tourism, the Programme area is known to host many of the most popular coastal tourism destinations worldwide. The variety of the Adriatic coasts allows for a varied offer of coastal and island tourism, both from the point of view of the different types of coastal and island landscapes available and from the point of view of the number and types of leisure activities offered. The area is however also a strong cultural, natural, wellness and business tourism destination.

MAIN CHALLENGES AND JOINT INVESTMENT NEEDS	One of the main challenges will be the **diversification** and **delocalisation** of **touristic flows**, which can be achieved through investments in alternative routes channelling the traditional flows towards other attractiveness of the territory. In addition, the promotion of innovative integrated offers of coastal tourism between the two countries could strengthen the position of the sector, thanks to a more coordinated management of tourism in the area. The **valorisation of cultural heritage** also represents a major opportunity to boost the competitiveness of the Programme area and to attract visitors also off-season. In this context, the related joint investment needs range from the innovation and digitalisation of cultural offers to the promotion of inclusive educational training for smarter strategic management of sustainable touristic destinations. Projects will be invited to follow the "EUROPEAN QUALITY PRINCIPLES for EU-funded Interventions with potential impact upon Cultural Heritage" drawn up by ICOMOS[3] [2]. Finally, investments have to be made in order to qualify the human capital in the sector, improve the **coordination between the education systems and the job market** and promote attractive career paths with stable and quality employment and ensure fair wages and good working conditions, especially for female and young workers who represent the majority of the sector's workforce.

CROSS-CUTTING CHALLENGES

Digitalisation

Digitalisation represents one of the biggest cross-cutting challenges because it significantly affects several domains, such as the economy and labour market, environmental sustainability and culture, health and education, mobility and transport, connectivity and communication. It is, therefore, a key priority for Europe, as stated in the EU's digital strategy for the 2019-2024 period and especially for Italy and Croatia since they present low levels of digital performance compared to the EU average. The **Digital Economy and Society Index (DESI)**, which measures digitalisation through key indicators as connectivity, digital skills, use of the internet, digital technology integration, and digital public services, is 43.6 for Italy and 47.6 for Croatia, **far below the EU average** of 52.6 points. Furthermore, both countries have a lower rate of employment in technology and knowledge-intensive sectors, and the integration of digital technology in business improved in the 2018 – 2020 period is less than Europe's standard.

Anyway, there are also significant differences between the two Member States. According to the DESI country reports, Italy is ranked the last in Europe for digital

[3] http://openarchive.icomos.org/id/eprint/2436/1/EUQS_revised-2020_EN_ebook.pdf.

literacy, with only 42% of the population having basic digital skills and 2.8% being ICT specialists, while it exceeds the EU average in terms of enterprises using shared electronic information. Regarding digital public services, Italy shows a good level of online services completion and digital services offered to businesses but it has a low number of people interacting with public institutions through e-government services and applications. As for Croatia, it performs better in terms of human capital and digital skills, being closer to the EU averages, and it has also a very high percentage of enterprises using Cloud systems and SMEs selling online. Nevertheless, Croatian regions stand below the European standards in terms of digital public services even if they show a higher number of people interacting with e-government procedures compared to Italy.

Within this framework, the main challenges for both countries are related to the **improvement of digitalisation in the public sector**, in particular for health and education domains, and the enhancement of digital performance in the private sector, with a specific focus on SMEs. In addition, it is necessary to **foster the acquisition of general digital skills by the population**, especially the elders, to face the social and economic changes that the COVID-19 crisis has produced due to social distancing and lockdowns. Therefore, the joint investment needs include the **promotion** of advanced technologies and digital solutions, such as the **use of big data and the interoperability of digital systems**, especially in the public sector, along with actions aimed at enhancing the digital literacy of citizens and small companies. These strategies are also coherent with the Recovery Plan for Europe, which foresees, within the aims for overcoming COVID crisis, an increase in digitalisation, and with the Digital Compass presented by the Commission in March 2021 for setting the objectives to achieve the vision and targets for 2030 - Europe's Digital Decade. In order to face the digitalisation challenges, the Programme can also further capitalise on existing projects already financed by the public administration and exploit some local digital excellences, both in the public and private sectors, that may represent an important driver for digital development based on cooperation logic.

MAIN CHALLENGES	Digitalisation represents a crosscutting issue that could create added value in relation to most of the challenges identified for SOs, such as: • intensifying the smart specialisation governance processes and the innovation capacities of SMEs; • increasing the human resources qualifications focusing on skills oriented to the new market's needs; • improving the knowledge base for policies concerning climate change, biodiversity, fight against pollution and the related application tools; • increasing the intermodality capacities of ports and the overall integration of transport networks; • contributing to the integration of touristic strategies and to the offer diversification; • modernising valorisation policies for cultural heritage.

Circular Economy

An additional cross-cutting challenge for the Programme area is represented by circular economy, which constitutes one of the key policy areas for the European Union, besides being strongly promoted both in UN Agenda 2030 and in the European Green Deal. In recent years, the Programme regions have shown great results in the field: in both Italy and Croatia the weight of circular economy on the overall economy, in terms of value added, is above the EU-27 average and the share of persons employed in circular economy sectors outperforms EU standards. However, disparities can be found between the two countries. In Italy, the average circular material use rate in 2019 was significantly higher than the EU average, while in Croatia the value was far below, albeit rapidly increasing. With reference to municipal recycling rates, the value in Croatia is much lower than in Italy, although in recent years it is increased in both countries.

The promotion of circular economy can offer new business opportunities. In this relation, the main challenge for the Programme area consists in further improving waste recycling services and infrastructures, along with reducing the production of industrial waste. To this end, the joint investment needs are related to the enhancement of local capacities of **managing waste collection and recycling**, the promotion of **waste reuse in productive sectors**, and the capitalisation and replication of existing good practices and pilot projects at a local level.

The Programme will be also confronted with the challenges identified by the European Commission in its recent Communication on "A new approach for a sustainable blue economy in the EU: Transforming the EU's Blue Economy for a Sustainable Future" COM(2021) 240 final, which has stressed the role of circular economy for a sustainable blue economy, both in terms of the reduction of pollution (e.g. marine plastics) but also in developing circular models and solutions. This includes keeping materials and resources in the economy as long as possible and for minimising waste, thus increasing circularity. In this regard, the valorisation of residual bio resource stream (bio-economy) represents an opportunity for the cooperation area, both in terms of business opportunities, innovation and technological development[4].

MAIN CHALLENGE	Circular economy as a horizontal issue can create added value in relation to challenges identified for SOs, such as: • research and technological transfer processes; • SMEs innovation capacities in competitive domains; • climate change adaptation strategies; • sustainability of ports and transport solutions.

[4] For admissible operations in this field please refer to article 7 (g) of the 1058/2021, ERDF Regulation

A Better Cooperation Governance

Even though cross-border cooperation problems could be more evident on a terrestrial border, compared to a maritime one, this does not mean that they do not exist, or that they are less important. Indeed, the Programme area has to face the need of creating a clearer and more extensive **knowledge basis**, not available at the moment, **about legal and administrative obstacles** that affect the Regions involved. In these matters, it is necessary to implement a closer collaboration in some important common domains as risk management, maritime spatial planning, fisheries, and aquaculture. With regard to public administration capacity, the territory's stakeholders consider it to be poorer than the EU average, therefore a **reinforcement of institutional capacities** of public authorities and stakeholders would be needed in the Programme area.

LESSONS-LEARNT FROM EXPERIENCE

During the 2014-2020 programming period, 83 projects were funded [4]. Regarding the fund allocation per Priority Axis, Environment and cultural heritage represent the largest part (37% of the available amount and 37 projects), followed by Safety and resilience (27%, 16 projects), Maritime transport (23%, 18 projects), and Blue innovation (12.6%, 12 projects). Some of the projects financed in these domains can be considered as consistent with some of the new Specific Objectives such as research and innovation (1.1), climate change adaption (2.4), sustainable transport (3.2), enhancing the role of culture and sustainable tourism in economic and social development (4.6). Further projects implemented in these fields in the 2021-2027 programming period will be able to build on the knowledge acquired during previous experiences and the outputs achieved as well as to exploit consolidated partnerships and maximise the added value of CB cooperation. The importance to build on previous know-how is further supported by the good results achieved with Standard+ projects, able to exploit and further develop valuable results.

Concerning resource allocation per Call for Proposals, the Standard Call generated the strongest interest from the beneficiaries (53.3% of ERDF budget), while the Standard+ projects also launched within the first call amounted to 9.85%. Indeed, the Standard+ Call was aimed at capitalizing on existing projects and, therefore, a limited number of beneficiaries could apply. The Call dedicated to Strategic projects amounted to 36.6% of the overall ERDF.

Furthermore, the evidence from previous CP Italy-Croatia 2014-2020 shows a rather even distribution concerning Programme territories: with **Italian partners benefiting from 58% of contracted ERDF amount and Croatian partners from 42%**. Croatia has expressed substantial interest, taking into account the fact that the Italian side of the Programme has a larger population and surface area. As for the distribution of the project **partners involved, 57%** out of 813 are **from Italian organisations, and 43% from Croatian ones. As for the type of entities involved, private and international organisations represent only 12%, while 88% of partners are public bodies or bodies governed by public law**.

Finally, **concerning the qualitative assessment of the projects, almost all of them achieved their output target values**. Indeed, going through the results of the Standard+ projects which have finished their implementation, it can be observed that the majority of them are even over performing the goals set. For instance, in PA1 the achieved value for the number of enterprises receiving support (113) is far higher than the target value of 76 or in PA2, it is noticeable that the value for the population benefiting from forest fire protection (898,000) is well above the target of 150,000.

Despite the general good performance in terms of output achievement, there is still evidence of some common weaknesses in the implementation process, such as shortcomings in the planning phase, low involvement of private beneficiaries and policymakers, delays in terms of public procurement procedures and in executing infrastructural works, limited sustainability and significant seasonality in the implementation of activities, which heavily impacts on the respect of the projects' work plan.

Further analysis showed that the Programme performed well in terms of respecting deadlines for implementation of activities, thanks to a well-established working structure, offering daily support to the beneficiaries and assuring a comprehensive public outreach on achieved results. However, room for improvements in some procedural aspects has been identified: **simpler administrative procedures, more user-friendly online tools and optimised projects selection**.

COMPLEMENTARITIES AND SYNERGIES WITH OTHER PROGRAMMES AND MACRO-REGIONAL STRATEGIES

In order to improve the efficiency of funding instruments, the Programme will seek complementarities and synergies with other Interreg programmes in the area (both cross-border and transnational), regional and national programmes (co-financed by ERDF, ESF+, EMFAF and CF), the respective Recovery and Resilience National Plans (NRRP), as well as with macro-regional strategies relevant for the area (particularly EUSAIR). This coordination will be done through regular discussion between the authorities in charge of the above-mentioned programmes. The Programme will also favour any synergies with other funding programmes and instruments, including Connecting Europe Facility, LIFE, EU Civil Protection Mechanism, ERASMUS+ and HORIZON EUROPE. With reference to the latter, the key strategic orientations and expected impacts identified in the Horizon Europe Strategic Plan, especially concerning the mission "Restore our Ocean and Waters" will be taken into account as a constant reference, with the common aim of protecting and restoring ecosystems and biodiversity, achieve zero pollution and reduce greenhouse gas emissions within the EU's oceans and waters.

Following the indications provided by the European Commission in the Orientation Paper, the Interreg Italy-Croatia Programme has started technical discussions with the Managing Authorities of the **Adriatic Ionian area** (e.g. Slovenia-Croatia, Italy-Slovenia and ADRION), primarily in implementing EUSAIR's priorities and flagships. Inter-programme coordination will be sought also within the whole Mediterranean area (e.g. pilot flagship on sustainable tourism, but also on possible future pilots focusing on climate and environment-related aspects in the maritime cooperation context.).

The overall goal is to establish a structured and **ongoing inter-programme coordination** among Interreg programmes financing operations in the same cooperation area, based on identified common objectives/topics/themes (reference to the thematic clusters identified within the INTERACT Improving Synergies across the Mediterranean for post 2020 - Med lab).

Inter-programme coordination modalities will be defined according to the implementation schedule of the different programmes throughout the following **indicative actions**:

1. Developing, agreeing and setting up **coordination structures** for the development of maritime projects between cross border programmes and the transnational programme IPA Adriatic-Ionian;

2. Bringing new and **innovative approaches** in the governance of the programmes with concrete measures and well-defined tangible results (e.g. MA and JS and other relevant stakeholders could meet on a regular basis);

3. **Funds** under **technical assistance** of the programmes can be made available to facilitate these activities;

4. Acting at the **project level** (e.g. Project selection extra score for synergies);

5. Participating in **networking activities** among MAs involved within the **EUSAIR embedding** process (e.g. one or more Operation(s) of Strategic Importance related to EUSAIR Flagships and, possibly, coordinated with other Interreg Programmes of the Adriatic-Ionian area, in compliance with ANNEX 3. A "List of planned operations of strategic importance with timetable").

At the project level, lessons learnt stemming from the 2014-2020 programming period show a convergence of common issues for the Adriatic area that could represent a starting point for boosting synergies among programmes:

- Innovation in the blue economy;
- Low-carbon and multimodal transport and mobility solutions;
- Safeguarding of ecosystem services;
- Governance of protected marine areas;
- Coordinated and permanent governance of port security;
- Sustainable coastal tourism.

From an operational point of view, the proposed approach to inter-programme cooperation will aim at promoting coherence between policies implemented in a wider area, thus avoiding the risk of overlapping and double funding.

The Programme will also support the coordination of Programme communication strategies and the **dissemination of project results**, in order to increase **capitalisation** and transfer, together with promoting the use of common platforms and harmonisation tools. In addition, for the Programme implementation, the use of **territorial flexibility**, as defined under Article 22(1) of the Interreg Regulation, will be taken into consideration in order to enable synergies and cooperation between programmes.

PROGRAMME VISION/THEMATIC SCOPE

The Programme area's greatest potential and core driver of development is represented by the Adriatic Sea: indeed, the strengths deriving from the maritime dimension are numerous, from the strategic position and good performance of ports in the area to the impressive richness of biodiversity and the strong attractiveness of the region for coastal tourism flows. Thus, it seems essential to exploit these opportunities by focusing the cooperation efforts on blue economy domains, in consistency with the EU Blue Economy strategy. Moreover, the emphasis on the maritime dimension of the Programme ensures continuity with the 2014-2020 Italy-Croatia Programme, which has focused itself on the blue growth potential of the area. In this way, it could be secured the capitalisation of the outcomes and experiences gained in the previous cooperation period.

Within this framework, a key role will be played by innovation, which has the potential of boosting the economic and social development in the "blue sectors" (as listed in "*The EU Blue Economy Report 2020*", drafted by European Commission, Directorate General for Maritime Affairs and Fisheries: Marine living resources; Marine non-living resources; Marine renewable energy; Ports activities; Shipbuilding and repair; Maritime transport; Coastal tourism). In particular, the promotion of skills related to the smart specialization strategy, with a strong focus on human capital, will contribute to a more resilient and competitive economy. In addition, the Programme will support SMEs networks and promote the dialogue among quadruple helix actors, thus ensuring technological transfer and economic development. Supporting innovation capacities will also help to promote tourism industry, which represents a key asset for the Programme area: for instance, the fostering of digitalisation will contribute to the valorisation of cultural and natural assets. Moreover, the Programme will focus on the research capacities of the territory through actions aimed at attracting and maintaining young researchers in the region, with the goal of facing the brain drain phenomenon.

A key role in the Programme vision will be played by connectivity and cross-border mobility, especially the maritime one, which will be fostered to secure efficient and sustainable connections. In particular, the Programme will promote inter-modality through the implementation ICT solutions, with the aim of exploiting the potential networks among the numerous ports in the area, improving cross-border integration and solving current bottlenecks and inefficiencies in existing connections.

At the same time, the rich environmental heritage of the area requires specific attention in relation to the protection and safeguarding of natural and cultural sites, which are threatened by the consequences of climate change and pollution. Therefore, the Programme mission will promote climate change adaptation and disaster

risk prevention, as well as the protection and preservation of biodiversity. In particular, the improvement of risk assessment methodologies and protocols of civil protection will be encouraged. In addition, given the presence of numerous protected areas in the territory, a particular focus will be placed on the enhancement of the existing monitoring systems for environmental protection and pollution control.

Within this strategy, digitalisation and circular economy will act as cross-cutting priorities. Indeed, digitalisation will be encouraged in every policy field addressed by the Programme, with a particular attention to the improvement of digital skills, as a driver for development. As regards circular economy, particular attention will be given to the promotion of waste recycling practices in every policy field addressed by the Programme.

In the end, the Programme strategy will be focused on:

- the promotion of a sustainable economic development through green and blue innovation policies;
- the protection of natural assets also through climate adaptation strategies and risk prevention measures;
- the valorisation of cultural heritage through sustainable and diversified touristic products;
- the improvement of cross border mobility solutions;
- the enhancement of institutional capacity and the reduction of cross border obstacles.

The Programme vision which stems from these goals can be enclosed in the following statement:

"Focusing on innovation and sustainability in the blue economy, capitalising previous cooperation experiences, creating synergies with EUSAIR."

HORIZONTAL ISSUES

During its implementation the Interreg VI-A Italy-Croatia 2021-2027 Programme will guarantee compliance with a set of significant and strategic principles.

Taking into account the recommendations that arise from the 2021 Court of Auditors' report [5] the Programme chose indicators aimed at capturing the cross-border effect, hampering the monitoring of programmes implementation in comparison to its objectives (e.g. Jointly developed solutions, Participations in joint actions across borders, Organisations cooperating across borders, Participations in joint training scheme).

UN Sustainable Development Goals (SDGs)

The content of the Programme is drafted taking into account overarching strategies such as the UN Sustainable Development Goals; the respect and contribution to them will be monitored during the Programme's implementation, with particular focus on the financed operations. Based on the Programme priorities, the targeted SDGs are primarily the following:

- Goal 12: Ensure sustainable consumption and production patterns;
- Goal 13: Take urgent action to combat climate change and its impacts;
- Goal 14: Conserve and sustainably use the oceans, seas and marine resources.

Horizontal principles

To achieve the Programme goals, the cooperation actions will all comply with the horizontal principles set forth in Article 9 of the CPR (EU Charter of Fundamental Rights, gender equality, non-discrimination, accessibility, sustainable development). This will be guaranteed both at the project level, from the project application to the project implementation, as well as at the Programme level. The respect of the horizontal principles will be also assessed during the Programme evaluation and considered when the project selection criteria will be identified.

Sustainable development is a crucial principle to be taken into consideration during the Programme implementation. It will be duly integrated in the selection of operations, for instance foreseeing extra points to those project applications that will be able to demonstrate to make use of:

- Green Public Procurement;
- Nature-based solutions;
- Lifecycle costing criteria;
- Standards going beyond regulatory requirements.

Public procurement

During the implementation of the Programme the MA will promote the strategic use of public procurement to support policy objectives (including professionalisation efforts to address capacity gaps). Beneficiaries will be encouraged to use more quality-related and lifecycle cost criteria. Whenever feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures.

E-cohesion

With regard to E-Cohesion and as done in the 2014-2020 programming period, the Programme will adopt a system for the Programme to ensure that all exchanges are carried out between beneficiaries and all the Programme authorities by means of electronic data exchange, in accordance with Annex XIV of the CPR.

The electronic data exchange system set between beneficiaries and all the Programme authorities will be fully functional; with the aim to ease beneficiaries. The Programme will use JEMS together with many ETC Programmes.

New European Bauhaus Initiative

It translates the European Green Deal into tangible and positive experiences developed around the three concepts of sustainability, aesthetics and inclusion. The Programme will foster the synergy within PO2 and PO4 and the complementarity with dedicated funds in order to contribute to the delivery of this important Initiative.

Young generations

The Programme will enhance the participation of young people in funded projects and cross-border events. In some specific objectives, in particular within PO1, PO2, PO4 and ISO1, youth is included as a specific target group of the population and/or of the productive sector. Moreover, the Programme will foster the involvement of Interreg Volunteer Youth possibly as a direct hosting organisation as well as promoting the initiative towards the beneficiaries.

1.3. Justification for the selection of policy objectives and the Interreg-specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure

Reference: point (c) of Article 17(3)

Table 1

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies	1. Sustainable growth in the blue economy	Research and innovation are relevant development factors for the Programme area, especially in the field of Blue Economy. Even if the potential in terms of public and fundamental research is high, there is still a weak capacity of R&D in the private sector and a low level of technological transfer. Also, the financial and human resources dedicated to R&D activities are still relatively low compared to EU averages. By Selecting SO i, the 2021-2027 Italy-Croatia Programme will allow the implementation of policies and interventions aimed at promoting knowledge and technological transfer between research institutes and the business sector, namely in the field of the blue economy, as well as attracting and maintaining a higher number of young researchers in the area. In addition, it will enhance collaborative research in the field of blue biotechnologies, eco-innovations and circular economy and will support SMEs by promoting collaboration practices and joint innovation in competitive domains. Project durability related to business support will be duly taken into consideration by minimising risks through coaching and technical support to SMEs, reduction of administrative burden and use of SCOs and all possible simplification measures. Within SO i the Programme will foster SMEs' involvement as direct or indirect beneficiaries to promote research and innovation uptake in the Programme Area. Cross-border cooperation offers clear added value in addressing, among others, the following specific joint investment needs:

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies	1. Sustainable growth in the blue economy	- fostering cooperation between public bodies, academic institutions, private actors and civil society, with a particular focus on quadruple helix actors; - supporting market driven research, especially in the field of Blue economy; - promoting career opportunities in R&D, with a particular focus on cross-border research projects; - supporting the joint development of sustainable technologies and materials, as well as efficient productive processes in terms of resource saving and recycling. The Italy-Croatia Programme has chosen to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.4. Developing skills for smart specialisation, industrial transition and entrepreneurship	1. Sustainable growth in the blue economy	In order to boost competitiveness and innovation in the Programme area, it is essential to develop new skills and initiatives aimed at fostering the transition towards a more digitalised and smarter economy. COVID-19 emergency has fastened the integration of digitalisation in the society raising the demand for digital infrastructure and services, leading to a rapid shift towards innovation and the online market. In this context, although both Italy and Croatia have already designed regional and national Smart specialisation strategies, the Programme area is still lagging behind with regard to specific skills of the existing human capital and is lacking technological cooperation among SMEs, which would greatly benefit from networking processes among local businesses and research centres able to foster joint innovation. Selecting SO iv, the Programme will ensure the strengthening of innovation and entrepreneurial capacities of the SMEs' sector through the promotion of cooperation practices in competitive domains, particularly on Blue Economy. Within SO iv the Programme will support the increase of skills and competences of SMEs in the Programme Area. Project durability related to business support will be duly taken into consideration by minimising risks through coaching and technical support to SMEs, reduction of administrative burden and use of SCOs and all possible simplification measures. Cross-border cooperation offers clear added value in addressing, among others, the following specific joint investment needs focusing on the field of Blue Economy: - stimulate dialogue and increase cooperation in the common areas of expertise of smart specialisation strategies;

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies	1. Sustainable growth in the blue economy	- developing and consolidating entrepreneurial skills (e.g. innovative and digital skills, applied research, internationalisation); - supporting cross-border initiatives, training programmes and mutual learning especially on blue and green skills; - boosting the development of entrepreneurial skills of graduates to support their entry in the labour market. The Italy-Croatia Programme has chosen to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change	RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches	2. Green and resilient shared environment	The Programme area, together with the whole Mediterranean Europe, is medium/highly exposed to the consequences of climate change and especially to the rise of the level of the Adriatic sea. In the coming years it will be increasingly important to face disaster risks associated with extreme weather events, together with those related to natural features of the area such as high seismic risk or coastal erosion. Selecting SO iv, the IP Italy Croatia 2021-2027 will allow to increase the diffusion of knowledge and the coordination among actors studying these phenomena; it will also contribute to the effectiveness of institutional policies on this domain implemented on the two sides of the sea basin. Cross-border cooperation offers clear added value in addressing, among others, the following specific joint investment needs: - coordinating and harmonising methodologies and processes related to climate change monitoring and adaptation, especially in the areas with common geographic features (primarily Adriatic sea);

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change	RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches	2. Green and resilient shared environment	- strengthening joint coordination of risk assessment process for those hazards that are common for the Programme area but not considered by national assessment reports of both countries (E.g. tsunami and oil-spills in the sea); - strengthening cooperation of the civil protection strategies throughout all its stages, from risk assessment, to definition of protocols and equipment supplies, and finally to post-disaster management; - defining a more effective and strategic approach to climate change adaptation and risk prevention by the use of nature-based solutions (e.g. green or blue infrastructure measures); - improving knowledge development and capacity building linked to climate change, its consequences and how to adapt. The Italy-Croatia Programme has chosen to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility	RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	2. Green and resilient shared environment	The Programme area has a rich natural biodiversity consisting of inland national parks, Natura 2000 sites, UNESCO natural heritage sites and a sum of multiple marine protected areas. The Adriatic Sea is an extraordinary habitat being home to more than 7,000 species, including numerous species rated from declining to critically endangered. The environmental quality of the Adriatic waters is quite good, with only a few problematic aspects that are still localized (concentration of lead and mercury in sea sediment, floating litter locally etc.). Selecting SO vii, the IP Italy Croatia 2021-2027 will allow to improve policies protecting biodiversity and contrasting pollution, also building on and capitalizing the 2014-2020 Interreg projects. Cross-border cooperation offers clear added value in addressing, among others, the following specific joint investment needs: - creating a stronger knowledge-based information and joint monitoring system necessary for embracing a new approach to biodiversity and pollution challenges; - investing in protecting marine ecosystems, exploiting good practices provided by existing protected areas, and preserving sea habitats from pollution due to human activities and from the arrival of alien fauna in the basin; - promoting public awareness especially through the development of responsible behaviour. The Italy-Croatia Programme has chosen to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
3. A more connected Europe by enhancing mobility	RSO3.2. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility	3. Sustainable maritime and multimodal transport	A sustainable local and cross-border connectivity represents an important development factor for the Programme area, since it ensures economic relations and promotes social cohesion. In this regard, waterway infrastructure is strongly developed in the Adriatic and has great potential, with a total of 334 ports among the Italian and Croatian regions of the Programme territory. However, as concerns overall cross border mobility, the area features some critical issues such as the lack of adequate public transport connections and sustainable multimodal solutions, leading also to bottlenecks and inefficient connections with Slovenia. In addition, the maritime connections between Italy and Croatia need improvement in terms of sustainability and quality, since they have a predominant seasonal character which leads to over-burdening or shortcomings depending on the period of the year. Selecting SO ii, the IP Italy Croatia 2021-2027 will foster the setting up of efficient and sustainable cross-border connections, together with the improvement of inter-modality capacities of ports, both TEN-T and not, in order to make them greener, more ICT based and integrated with the hinterland needs. Cross-border cooperation offers clear added value in addressing, among others, the following specific joint investment needs: - promoting transition towards greener and alternative transport solutions; - strengthening and modernizing cross-border maritime connections by fostering ICT solutions;

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
3. A more connected Europe by enhancing mobility	RSO3.2. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility	3. Sustainable maritime and multimodal transport	- investing in a sea-land integrated approach and improvement of multimodal capabilities of ports, supporting both the central role played by TEN-T ports for the overall macro regional area connections, as well as minor ports for their relevance at the local level and for remote areas. The Italy-Croatia Programme has chosen to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.
4. A more social and inclusive Europe implementing the European Pillar of Social Rights	RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	4. Culture and tourism for sustainable development	Culture and tourism represent strategic sectors for the Programme area, due to the presence of an outstanding cultural and natural heritage in both Italy and Croatia. The territory hosts a large number of UNESCO sites and popular tourist destination. The tourism sector contributes significantly to the GDP of the Programme area, with many workers employed in the domain. However, such over-reliance of the local economy on touristic flows represents also a vulnerability factor, due to the seasonality and is reflected in low skilled and unstable jobs in the tourism industry. Selecting SO vi, the Programme will ensure the improvement of policies aimed to diversify and de-seasonalise tourist flows and support the social and economic development within the Programme area. Moreover, modernised policies of valorisation of the cultural heritage and innovative and sustainable integrated offers of coastal and island tourism will be implemented,

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
4. A more social and inclusive Europe implementing the European Pillar of Social Rights	RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	4. Culture and tourism for sustainable development	also able to enhance the wellbeing of the resident population. The importance of these challenges is also witnessed by the possibility of involving many different actors: public Institutions, private actors and their associations, NGOs. Cross-border cooperation offers clear added value in addressing, among others, the following specific joint investment needs: - boosting innovation and digitalisation with the aim to valorise cultural sites and activities leading to a positive impact on local communities; - investing in alternative routes and creating new integrated offers – such as experiential tourism - able to diversify the traditional flows and to reduce seasonality also supporting the creation of business and stable jobs through tourism/culture; - promoting inclusive education and training focused on a smarter strategic management of sustainable tourist destinations in order to boost the competitiveness of the sector, fostering the development of circular economy business models and support the creation of resilient and fair employment. The Italy-Croatia Programme has chosen to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups, which are often small organizations.

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
6. Interreg: A better Cooperation Governance	ISO6.6. Other actions to support better cooperation governance (all strands)	5. Integrated governance for stronger cooperation	The new Interreg specific objective 1 "Better cooperation Governance" (ISO 1) provides room for developing and implementing actions connected to more sustainable and more effective cooperation, also addressing potentials that could reinforce it or hurdles that may hinder it. Moreover, although cross-border cooperation obstacles are less perceived on a maritime border, they are still present. The first programming period of the Italy-Croatia Cooperation area, showed the clear need to improve the knowledge base about the legal and administrative cross-border obstacles. By selecting ISO1, the 2021-2027 Italy Croatia Programme will enhance the institutional capacity of public bodies and stakeholders, improving the levels of collaboration among them, better defining distribution of powers, reinforcing skills to design and implement strategies and policies and to develop new and better services for citizens, making cooperation among organisations of Italy and Croatia smoother, more sustainable and, most importantly, inclusive, thus enlarging the benefits and the added-value of cooperation in the area. Finally, ISO 1 will provide the opportunity to tackle legal and administrative barriers to cross-border collaboration. Cross-border cooperation offers clear added value in addressing, among others, the following specific joint needs: - identifying and reducing cross-border obstacles and improvement of legal and administrative cooperation;

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
6. Interreg: A better Cooperation Governance	ISO6.6. Other actions to support better cooperation governance (all strands)	5. Integrated governance for stronger cooperation	- enhancing institutional capacities of public administration and stakeholders, thus improving their chances to participate in valuable initiatives during the programming period; - strengthening of cooperation and multi-level governance; - establishing closer cooperation in key areas such as risk management, marine spatial planning, fisheries, and aquaculture. The Italy-Croatia Programme has chosen to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2 PRIORITIES

2.1. Priority: 1 - Sustainable growth in the blue economy

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies

Reference: point (e) of Article 17(3)

Developing and enhancing research and innovation capacities and the uptake of advanced technologies

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

With regards to Research and Innovation, in general, the Programme area lies, below the EU average presenting some weaknesses in terms of public-private collaboration, applied research, level of R&D expenditure and personnel dedicated to research activities.

Given this scenario the most relevant challenges identified by the Programme concern **strengthening research capacities and promoting technology transfer processes**, especially in the Blue Economy sector. At the same time, it is very important to attract and to maintain a higher number of young researchers in the system as well as attracting private and public financial resource for R&D.

Thus, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO1.1 achieving two different results in the cooperation area.

The first result regards **improved performances related to applied research and technological transfer also through a stronger collaboration among quadruple helix actors** and exemplary actions are:

- Supporting joint industrial (pre-) feasibility studies for new products applications and territorial/marine monitoring systems;

- Promoting synergies with other ETC Programmes and Horizon Europe in order to facilitate the engagement of relevant innovation players in EU (e.g. by fostering the existing best practices);
- Promoting applied research and technological transfer through a stronger cross-border collaboration among quadruple helix actors, especially in blue economy sectors, circular economy practices and digitalisation;
- Improving cross-border access to research and advanced technologies for SMEs by providing ICT services and web/cloud facilities;
- Promoting a cross-border innovation ecosystem through long-term cooperation agreements among the relevant actors of the quadruple helix approach.

The second result instead is related **to an increased number of researchers employed in the private sector and STEM PhD students** and exemplary actions are:

- Facilitating cross-border mobility of researchers through cooperation agreements among Italian and Croatian institutions for shared (research) scholarships;
- Implementing joint research on emerging market needs and new business opportunities, mainly in the blue economy sectors, fostering the attraction of public/private investments and increasing number of researchers in the private sector.

All the types of actions have been assessed as compatible with the **DNSH principle**, according to Member State's methodology. They will not have a significant negative influence on the environment (compatibility because of their nature). Moreover sustainable development practices, also in line with lessons learnt from 2014-2020 period, will be implemented by the Programme and encouraged towards funded projects.

Moreover, projects are expected to achieve concrete and measurable results and the Programme will encourage the implementation of pilot and demonstration actions to test the feasibility and practical effects i.e. of studies and research financed. In order to increase the impact of projects on the cooperation area, the Programme will also promote capitalisation of results achieved in the previous 2014-2020 Italy-Croatia Programme or in projects financed by other EU instruments and initiatives. In order to contribute to EUSAIR macro-regional strategy the listed actions should operate in synergy with the following flagship:

- PILLAR 1 - BLUE GROWTH - Fostering quadruple helix ties in the fields of marine technologies and blue bio-technologies for advancing innovation, business development and business adaptation in blue bio-economy.

Considering that large part of beneficiaries are expected to be private companies and businesses, Programme authorities will implement mitigation measures aimed at reducing the risks and factors which may affect the capacity of the supported businesses to deliver results in the long term, such as the instability of the social and economic context and the vulnerability to market risks. In particular, the use of result indicators related to up-scaled solutions and to product or process innovations in SMEs will ensure the monitoring of long-term results.

Finally, the Programme will favour initiatives aimed at creating synergies and complementarities among the project financed by IP Italy-Croatia and those supported

by other programmes and initiatives, such as CBC or transnational cooperation programmes (e.g. IPA Adriatic-Ionian 2021-2027), Horizon Europe and other measures envisaged in respective National Recovery and Resilience Plans aimed at strengthening research capacities and promoting technology transfer processes in the field of Blue Economy. In particular, the Programme will give special attention to its possible contribution to the European Research Area (ERA) and the relative strategic objectives outlined in the Communication "A new ERA for Research and Innovation".

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	RSO1.1	RCO01	Enterprises supported (of which: micro, small, medium, large)	enterprises	0	200
1	RSO1.1	RCO02	Enterprises supported by grants	enterprises	0	36
1	RSO1.1	RCO04	Enterprises with non-financial support	enterprises	0	164
1	RSO1.1	RCO81	Participations in joint actions across borders	participations	0	300
1	RSO1.1	RCO07	Research organisations participating in joint research projects	Research organisations	0	20
1	RSO1.1	RCO116	Jointly developed solutions	solutions	0	8

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
1	RSO1.1	RCR03	Small and medium-sized enterprises (SMEs) introducing product or process innovation	enterprises	0.00	2021	14	Monitoring System	
1	RSO1.1	RCR85	Participations in joint actions across borders after project completion	participations	0.00	2021	90	Monitoring System	
1	RSO1.1	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	4	Monitoring System	

2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Given the typology of actions listed above and the expected result the Programme has identified the following main target groups:

- Local, regional, national authorities and other public institutions and agencies;
- Academic institutions;
- Vocational training organisations;
- Research centres;
- Private companies, including SMEs;
- Entrepreneurs, including young entrepreneurs, and business support organizations;
- Civil society organisations (CSOs).

The target groups identified include therefore public and private actors of the quadruple helix system that will be involved or positively affected by the actions.

2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3

The actions can be implemented in the whole Programme area as identified in Chapter 1.

2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments and decided to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.1	ERDF	012. Research and innovation activities in public research centres, higher education and centres of competence including networking (industrial research, experimental development, feasibility studies)	5,422,995.27
1	RSO1.1	ERDF	013. Digitising SMEs (including e-Commerce, e-Business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B)	1,355,748.82
1	RSO1.1	ERDF	021. SME business development and internationalisation, including productive investments	1,355,748.82
1	RSO1.1	ERDF	026. Support for innovation clusters including between businesses, research organisations and public authorities and business networks primarily benefiting SMEs	1,355,748.82
1	RSO1.1	ERDF	010. Research and innovation activities in SMEs, including networking	1,355,748.82
1	RSO1.1	ERDF	029. Research and innovation processes, technology transfer and cooperation between enterprises, research centres and universities, focusing on the low carbon economy, resilience and adaptation to climate change	4,067,246.45

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.1	ERDF	01. Grant	14,913,237.00

Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.1	ERDF	33. Other approaches - No territorial targeting	14,913,237.00

2.1.1. Specific objective: RSO1.4. Developing skills for smart specialisation, industrial transition and entrepreneurship

Reference: point (e) of Article 17(3)

Developing skills for smart specialisation, industrial transition and entrepreneurship

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Italy and Croatia lie below the EU average with regard to percentage of employees in high and medium-high technology manufacturing and knowledge-intensive services. In this framework, Smart Specialisation Strategies (S3) can be a strong driver for the governance of innovation processes, especially to increase competitiveness of SMEs and technological skills of the existing human capital. This process is even more important after that the COVID-19 emergency has fastened the integration of digitalisation in the society raising the demand for digital infrastructure and services.

In this context and considering the importance of SMEs as driving force for the growth of the Programme area, the most relevant challenge is **to increase SMEs collaboration practices and to support their innovation in competitive domains**.

Thus, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO1.4 achieving two different results in the cooperation area.

The first result is related **to strengthened innovation capacities of SMEs, especially in Blue economy domains**, and exemplary actions are:

- Enhancing entrepreneurial capacities to foster innovation in products and processes, also through the promotion of collaboration with cultural/creative industries and the development of new sustainable technologies/circular economy approach;
- Building or reinforcing transformation and digitalisation skills of SMEs and their networks, in order to boost innovation mainly in blue economy sectors and adopting circular economy practices.

The second result instead is related to **increased internationalisation capacities of SMEs, especially in Blue economy domains**, and exemplary actions are:

- Developing and consolidating entrepreneurial skills referred to internationalisation and the capacity to attract foreign investments and/or to jointly promote products and services on international markets;
- Supporting SMEs to develop the needed skills to access market intelligence services for exploring emerging opportunities and to develop innovative business concepts in order to comply with international markets' needs.

At the same time, it is essential to **intensify the smart specialisation governance processes within the two countries** giving priority to human resources knowledge and new business initiatives. In order to face this challenge, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO1.4 achieving two other different results in the cooperation area.

The first result is a **higher consistency of smart specialisation strategies, with a major focus on the maritime dimension of the Programme area**, and the exemplary actions are:

- Fostering the setting-up of cross-border knowledge hubs to stimulate dialogue and increase cooperation in the common areas of expertise of smart specialisation strategies;
- Fostering the diffusion of new approaches to the use of technology and applied research for transformative change in SMEs.

The second result instead is related **to higher preparedness of businesses for smart specialisation in terms of qualified human capital and appropriate entrepreneurial skills mainly in the Blue economy domains** and exemplary actions are:

- Supporting cross-border initiatives, training programmes and mutual learning (know-how and best practices) in order to qualify human capital and to improve entrepreneurial skills in common smart specialisation domains, with special focus on blue and green skills, ICT skills and digital transition;
- Boost entrepreneurial skills of graduates in order to facilitate their entry into labour market and the added value in innovation and smart specialisation capacities for the private companies they join.

All the types of actions have been assessed as compatible with the **DNSH principle**, according to Member State's methodology and they will not have a significant negative influence on the environment (compatibility because of their nature). Moreover sustainable development practices, also in line with lessons learnt from 2014-2020 period, will be implemented by the Programme and encouraged towards funded projects.

Moreover, projects are expected to achieve concrete and measurable results and the Programme will encourage the implementation of pilot and demonstration actions to test the feasibility and practical effects i.e., of studies, research, policies and agreements. In order to increase the impact of projects on the cooperation area, the Programme will also promote capitalisation of results achieved in the previous CP Italy-Croatia 2014-2020 or in projects financed by other EU instruments and initiatives (i.e. HORIZON). In order to contribute to EUSAIR macro-regional strategy the listed actions should operate in synergy with the following flagships:

- PILLAR 1 - BLUE GROWTH - Fostering quadruple helix ties in the fields of marine technologies and blue bio-technologies for advancing innovation, business development and business adaptation in blue bio-economy;
- PILLAR 1 - BLUE GROWTH - Bolstering capacity building and efficient coordination of planning and local development activities for improving marine and maritime governance and blue growth services (with specific regard to actions concerning maritime professional skills).

Finally, the Programme will favour initiatives aimed at creating synergies and complementarities among projects financed by 2021-2027 Italy-Croatia Programme and those supported by other programmes and initiatives, such as CBC or transnational cooperation programmes (e.g. IPA Adriatic-Ionian), Horizon Europe, ERASMUS+ and other measures envisaged in respective National Recovery and Resilience Plans aimed at increasing the collaboration practices of SMEs and supporting the reinforcement of skills, in particular in the field of the Blue Economy.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	RSO1.4	RCO01	Enterprises supported (of which: micro, small, medium, large)	enterprises	0	182
1	RSO1.4	RCO04	Enterprises with non-financial support	enterprises	0	182
1	RSO1.4	RCO81	Participations in joint actions across borders	participations	0	150
1	RSO1.4	RCO87	Organisations cooperating across borders	organisations	0	45

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
1	RSO1.4	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	22	Monitoring System	
1	RSO1.4	RCR85	Participations in joint actions across borders after project completion	participations	0.00	2021	45	Monitoring System	

2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Given the typology of actions listed above and the expected result the Programme has identified the following main target groups:

- Local, regional, national authorities and other public institutions and agencies;
- Academic and education institutions;
- Vocational training organisations;
- Research centres;
- Private companies, including SMEs;
- Entrepreneurs, including young entrepreneurs, and business support organisations;
- Civil society organisations (CSOs).

The target groups identified include therefore public and private stakeholders that will be involved or positively affected by the actions and by the innovation processes driven by the smart specialisation strategies.

2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3

The actions can be implemented in the whole Programme area as identified in Chapter 1

2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments and decided to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.4	ERDF	023. Skills development for smart specialisation, industrial transition, entrepreneurship and adaptability of enterprises to change	5,329,419.19
1	RSO1.4	ERDF	027. Innovation processes in SMEs (process, organisational, marketing, co-creation, user and demand driven innovation)	2,368,630.75
1	RSO1.4	ERDF	030. Research and innovation processes, technology transfer and cooperation between enterprises, focusing on circular economy	1,776,473.06

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.4	ERDF	01. Grant	9,474,523.00

Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.4	ERDF	33. Other approaches - No territorial targeting	9,474,523.00

2.1. Priority: 2 - Green and resilient shared environment

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches

Reference: point (e) of Article 17(3)

Promoting climate change adaptation and disaster risk prevention, and resilience, taking into account ecosystem based approaches

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Climate change and disaster risk prevention are amongst the highest priorities for the Programme area because of its rich but fragile natural heritage and because the area is seriously involved in critical issues as increase of the sea-level, coastal erosion, extreme meteorological phenomena and earthquake.

Considering that climate change is a global challenge that cannot be tackled solely at the level of the area, the Programme may identify some specific aspects on which to focus. One of the most relevant issues concerns the **improvement of the knowledge base for climate change monitoring and adaptation**, and to coordinate methodologies, processes and resources. An increased cross-border coordination in this field could also contribute to the development of know-how and exchange of experiences related to the contribution to adaptation and mitigation strategies provided by green and blue infrastructure measures and policies as well as ecosystem-based approaches.

Thus, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO 2.4 achieving three different results in the cooperation area.

The first result concerns **sharing of methodologies and approaches to define new or improved adaptation strategies** and the exemplary actions are:

- Promoting cooperation between public authorities, research institutions and private companies in order to take advantage of new scientific results and multidisciplinary research to improve observation of climate change effects and plan and define the related adaptation strategies in line with 2030 Agenda for Sustainable Development and with the European Green Deal;

- Studying and testing integrated climate-adaptation solutions for different domains/target groups of population and enhancing the definition of common datasets on atmospheric parameters for climate analysis and impact assessment or improving the usability of existing ones;
- Exchanging good practices to monitor, manage, mitigate and support the adaptation to climate change effects on the most relevant economic sectors.

The second result instead is related to an **increased effectiveness of joint monitoring systems** and the exemplary actions are:

- Encouraging the development or capitalisation of data gathering tools (i.e. sensor systems, web-based platforms) and small-scale infrastructure for observing climate change effects, especially where monitoring systems are absent at cross-border level;
- Promoting networking activities and exchanges in order to define common indicators and increase the usability of the existing database.

Finally, the third result regards **an improved awareness about climate change effects on natural and cultural heritage and on local economic activities** and the exemplary actions are:

- Developing training courses for policy makers and general service providers on relevant topics linked to climate change and its consequences in order to better design new policies and promoting workshops/seminars dealing with new sustainable and adaptive climate smart models;
- Integrated cross-border community-based initiatives aiming at fostering active awareness about anthropogenic changes on local ecosystems and related adaptation measures;
- Students and teachers' exchanges aimed at developing common projects on climate change adaptation.

Another crucial issue for the cooperation area is the **improvement of the effectiveness of all the phases of the civil protection process** through a more intense cooperation. For facing this challenge, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO 2.4 achieving two other different results.

The first result concerns **an improved efficacy of risk prevention systems** and the exemplary actions are:

- Improving digital competencies, fostering the use of new monitoring technologies and tools and reinforcing the exchange of data to increase safety and risk forecasting capacities;
- Increasing climate resilience of cultural/natural heritage sites by developing and implementing disaster risk reduction policies and actions in local and regional development plans;
- Promoting joint tools and standardized procedures to prevent disasters related to economic activities.

The second result instead is **improved management of emergencies linked to extreme meteorological phenomena, natural hazards or other disasters related to human activities** and the exemplary actions are:

- Reinforcing cooperation between local authorities and non-governmental organisations to define and apply integrated emergency/rescue plans and to develop mechanisms to report identified needs for equipment supplies to relevant authorities;
- Developing standardized early warning systems, contingency planning and decision support tools (also for uncertainty management processes), especially through new technologies and robotics, and financing small scale infrastructure to face natural disasters and other hazards;
- Developing cross-border agreements and protocols for accelerating mutual supply of goods/equipment for the management of the first phases of the emergency/recovery;
- Exchange of good practices to increase post disaster management capacities of relevant actors.

All the types of actions have been assessed as compatible with the **DNSH principle**, according to Member State's methodology. They will not have a significant negative influence on the environment (compatibility because of their nature). Moreover sustainable development practices, also in line with lessons learnt from 2014-2020 period, will be implemented by the Programme and encouraged towards funded projects. Circular economy approaches linked to climate change adaptation and risk prevention will be highly valorised by the Programme.

Moreover, projects are expected to achieve concrete and measurable results and the Programme will encourage the implementation of pilot and demonstration actions to test the feasibility and practical effects i.e. of studies, research, policies and agreements. In order to increase the impact of projects on the cooperation area, the Programme will also promote capitalisation of results achieved in the previous 2014-2020 Italy-Croatia Programme (given the interest already shown by the territory i.e. in climate change monitoring and adaptation measures and on increasing safety from natural and man-made disasters) or in projects financed by other EU instruments and initiatives (i.e. Adrion, MED). In order to contribute to EUSAIR macro-regional strategy the listed actions should operate in synergy with the following flagships:

- PILLAR 3 - ENVIRONMENTAL QUALITY - Development and implementation of Adriatic-Ionian Sub/regional Oil spill contingency plan (with specific regard to actions concerning oil spill risk);
- PILLAR 3 - ENVIRONMENTAL QUALITY - Protection and enhancement of natural terrestrial habitats and ecosystems;
- PILLAR 3 - ENVIRONMENTAL QUALITY - Promotion of sustainable growth of the Adriatic-Ionian region by implementing ICZM and MSP as well as to contribute CRF on ICZM of Barcelona convention and the appropriate monitoring and management of marine protected area.

Finally, the Programme will favour initiatives aimed at creating synergies and complementarities among projects financed by 2021-2027 Italy-Croatia Programme and those supported by other programmes and initiatives, such as CBC or transnational cooperation programmes (e.g. IPA Adriatic-Ionian), Horizon Europe, the

Union Civil Protection Mechanism and other measures envisaged in respective National Recovery and Resilience Plans aimed at improving, in their specific context, the knowledge base for climate change monitoring and adaptation and/or the effectiveness of all the phases of the civil protection process.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.4	RCO83	Strategies and action plans jointly developed	strategy/action plan	0	72
2	RSO2.4	RCO85	Participations in joint training schemes	participations	0	501
2	RSO2.4	RCO115	Public events across borders jointly organised	events	0	18
2	RSO2.4	RCO116	Jointly developed solutions	solutions	0	18
2	RSO2.4	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	0	56

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
2	RSO2.4	RCR81	Completion of joint training schemes	participants	0.00	2021	351	Monitoring System	
2	RSO2.4	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/ action plan	0.00	2021	36	Monitoring System	
2	RSO2.4	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	9	Monitoring System	

2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Given the typology of actions listed above and the expected results the Programme has identified the following main target groups:

- Local, regional, national authorities and other public institutions and agencies;
- Academic and education institutions;
- Research centres;
- Private companies, including SMEs;
- Civil protection bodies and emergency services;
- Civil society organisations (CSOs).

The target groups identified include therefore public and private stakeholders that will be involved or positively affected by the actions and that could benefit from an improved environmental and risk management.

2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3

The actions can be implemented in the whole Programme area as identified in Chapter 1.

2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments and decided to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.4	ERDF	061. Risk prevention and management of non-climate related natural risks (for example earthquakes) and risks linked to human activities (for example technological accidents), including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches	3,631,220.30
2	RSO2.4	ERDF	060. Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	10,893,660.90
2	RSO2.4	ERDF	058. Adaptation to climate change measures and prevention and management of climate related risks: floods and landslides (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	10,893,660.90
2	RSO2.4	ERDF	059. Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	10,893,660.90

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.4	ERDF	01. Grant	36,312,203.00

Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.4	ERDF	33. Other approaches - No territorial targeting	36,312,203.00

2.1.1. Specific objective: RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

Reference: point (e) of Article 17(3)

Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

The cooperation area is characterized by a rich but delicate natural biodiversity that represents also important and attractive economic opportunities for the territory. The environmental quality of the Adriatic waters is quite good, even if there are some localized problems of pollution. Despite the fact that the Ariatic sea hosts an extraordinary habitat, numerous species are rated from declining to critically endangered also because of overfishing.

Given the importance of this issues, the main challenge identified by the Programme is to **improve the knowledge base and the monitoring system for defining policies of protection of biodiversity and of fight to pollution.**

Thus, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO 2.7 achieving three different results in the cooperation area.

The first result is **higher efficiency of monitoring and research on natural/marine habitats and human activities impact** and the exemplary actions are:

- Developing homogenous indicators through the exchange and comparison of existing good practices in order to harmonize data collection and monitoring systems;

- Setting-up cross-border monitoring systems and shared platforms to assess the status of the marine habitats and species (including the alien ones) and to predict the effects of biodiversity's policies on marine ecosystem as a basis for pollution prevention, mitigation and reduction policies;
- Extending the use of digital solutions to evaluate ecosystem services especially in the sea basins;
- Providing new tools for the integrated management of sea, coast and river environment and of cross-border natural resources (i.e., coordinated Maritime Spatial Planning (MSP) and Integrated Coastal Management (ICM);
- Developing integrated strategies and instruments and financing small scale infrastructure for biodiversity protection and habitats and coastal landscape preservation;
- Supporting feasibility studies for setting up cross-border protected marine areas and other effective area-based conservation measures (OECMs).

The second result is to **increase awareness in relation to environmental pollution and protection of biodiversity** and the exemplary actions are:

- Implementing training and educational activities to raise awareness among policy makers and service providers in order to design strategies more focused on the economic value of a healthy marine environment;
- Promoting community-based initiatives that combine the regeneration of marine resources with the preservation of local livelihoods;
- Promoting information campaigns for responsible tourism activities aiming at safeguarding ecosystem and reducing pollution;
- Developing joint strategies to spread good practices on nature protection, biodiversity and bioeconomy.

Finally, the third result concerns the **reduction of pollution in critical areas** and the exemplary actions are:

- Developing and testing innovative and ecological technical solutions to reduce pollution caused by human activities;
- Designing integrated policies aimed at limiting the anthropogenic pressure on coastal and inner regionsincluding green ports, by adopting innovative technologies/procedures/processes by the use of ICT tools (including pollution monitoring, handling meteorological data, etc) and sustainable fisheries and aquaculture models.

All the types of actions have been assessed as compatible with the **DNSH principle**, according to Member State's methodology. They will not have a significant negative influence on the environment (compatibility because of their nature). Moreover sustainable development practices, also in line with lessons learnt from 2014-2020 period, will be implemented by the Programme and encouraged towards funded projects. Circular economy approaches linked to the protection of biodiversity and to fight against pollution will be highly valorised by the Programme.

Moreover, projects are expected to achieve concrete and measurable results and the Programme will encourage the implementation of pilot and demonstration actions to test the feasibility and practical effects of i.e., studies, research, policies and agreements. In order to increase the impact of projects on the cooperation area, the Programme will also promote capitalisation of results achieved in the previous 2014-2020 Italy-Croatia Programme (given the interest already shown by the territory i.e., on protection and restoration of biodiversity, creation of a cross-border observing system and strengthening monitoring and assessment capabilities) or in projects financed by other EU instruments and initiatives. In order to contribute to EUSAIR macro-regional strategy the listed actions should operate in synergy with the following flagships:

- PILLAR 3 - ENVIRONMENTAL QUALITY - Development and implementation of Adriatic-Ionian Sub/regional Oil spill contingency plan;
- PILLAR 3 - ENVIRONMENTAL QUALITY - Protection and enhancement of natural terrestrial habitats and ecosystems;
- PILLAR 3 - ENVIRONMENTAL QUALITY - Promotion of sustainable growth of the Adriatic-Ionian region by implementing ICZM and MSP as well as to contribute CRF on ICZM of Barcelona convention and the appropriate monitoring and management of marine protected area.

Finally, the Programme will favour initiatives aimed at creating synergies and complementarities among projects financed by 2021-2027 Italy-Croatia Programme and those supported by other programmes and initiatives, such as cross-border or transnational cooperation programmes (e.g. IPA Adriatic-Ionian), Horizon Europe, LIFE Programme and other measures envisaged in respective National Recovery and Resilience Plans aimed at improving the knowledge base and the monitoring systems for defining policies of protection of biodiversity and of fight to pollution, especially related to water.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.7	RCO116	Jointly developed solutions	solutions	0	11
2	RSO2.7	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	0	46
2	RSO2.7	RCO85	Participations in joint training schemes	participations	20	705
2	RSO2.7	RCO115	Public events across borders jointly organised	events	5	21
2	RSO2.7	RCO83	Strategies and action plans jointly developed	strategy/action plan	0	11

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
2	RSO2.7	RCR81	Completion of joint training schemes	participants	0.00	2021	494	Monitoring System	
2	RSO2.7	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	5	Monitoring System	
2	RSO2.7	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	0.00	2021	5	Monitoring System	

2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Given the typology of actions listed above and the expected results the Programme has identified the following main target groups:

- Local, regional, national authorities and other public institutions and agencies;
- Academic and education institutions;
- Research centres;
- Private companies, including SMEs;
- Entrepreneur and business support organisations;
- Civil society organisations (CSOs);
- Youth.

The target groups identified include therefore public and private stakeholders that will be involved or positively affected by the actions and by the Programme's effort to protect biodiversity and to fight pollution.

2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3

The actions can be implemented in the whole Programme area as identified in Chapter 1.

2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments and decided to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.7	ERDF	079. Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	26,257,385.00
2	RSO2.7	ERDF	077. Air quality and noise reduction measures	535,865.00
2	RSO2.7	ERDF	078. Protection, restoration and sustainable use of Natura 2000 sites	2,143,460.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.7	ERDF	01. Grant	28,936,710.00

Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.7	ERDF	33. Other approaches - No territorial targeting	28,936,710.00

2.1. Priority: 3 - Sustainable maritime and multimodal transport

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: RSO3.2. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility

Reference: point (e) of Article 17(3)

Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN- T and cross-border mobility

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

A sustainable local and cross-border connectivity represents a crucial issue for the Programme, especially considering the maritime dimension of the area and the need of managing the seasonal road traffic and bottlenecks caused by tourist flows. Even if this sector requires huge resources, often less feasible to be faced with CBC funds, it is still possible to focus on specific fields of investment. For instance, given the geographical features of the territory, it is relevant to improve maritime mobility solutions also capitalizing the several existing projects financed by previous 2014-2020 Italy-Croatia Programme and exploiting the opportunities given by the new digital tools. At the same time, considering the importance of ports in the area, it is relevant to invest in a coordinated sea-land approach as to allow a better balance among local community's needs and logistical demand of the ports which are also encouraged to develop and to implement more sustainable and technologically more advanced solutions. The Programme will also encourage the networking activities and synergies among port authorities located in the Programme area for their capacity to boost green and digital solutions in maritime transport. Therefore, an important challenge concerns the **improvement of ports' inter- modality capacities to make them greener, more ICT based, more secure and more integrated with the hinterland's needs**.

All ports in the area are included in the activities – both TEN-T core and comprehensive ports. The main focus of the Programme is towards the **local and regional cross-border mobility and connectivity. In relation to the TEN-T network the focus of Programme is to improve the access to TEN-T network at regional or local level** rather than solely improving the TEN-T network itself.

Thus, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO 3.2 and specifically to realise **integrated and sustainable transport connections related to ports**:

- Setting up common analysis and data exchanges on existing connections in order to define new sustainable solutions for the access to ports and the integration of transport networks in port towns;
- Improving the environmental performance of ports by supporting suitable small- scale infrastructures and innovative equipment/ICT tools, also in order to improve boarding /disembarking procedures;
- Promoting innovative solutions for implementing the circular economy approach in the management of the ports;
- Fostering the use of alternative fuels and the diffusion of new ecological transport modes;
- Developing innovative cross-border strategies, for logistic and mobility solutions interconnecting ports with urban areas, railways, airports, inland terminals, industrial areas in order to enhance the processing of passengers and freight;
- Establishing action plans and common standards to manage physical and cybersecurity of freight and passengers' transports also in real time through the use of ICT and web-based tools.

As said before, one of the main challenges for the area is **to improve sea-mobility solutions** setting up rapid, sustainable and well spread cross-border connections. Thus, the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO2 and specifically to **increase the efficiency and quality of maritime transport**:

- Exploiting ICT technologies to pilot sustainable, seamless passenger and freight transport solutions and to develop new joint models of multi-modal approach;
- Designing cross-border strategies for maritime transport (including new maritime lines and interchange nodes) in order to reduce seasonal road traffic and bottlenecks in coastal and inner areas especially due to tourism;
- Sharing expertise, developing common strategies and organizing training courses for traffic management in the coastal and inner areas;
- Promoting joint monitoring and data analysis helping defining cross border policies on greener maritime routes and sea pollution reduction;
- Designing cycle routes of macro-regional relevance and testing new services to encourage intermodality (bike and train/ ferry/ tram/ bus/ plane) also considering tourism needs.

All the types of actions have been assessed as compatible with the **DNSH principle**, according to Member State's methodology. They will not have a significant negative influence on the environment (compatibility because of their nature). Moreover sustainable development practices, also in line with lessons learnt from 2014-2020 period, will be implemented by the Programme and encouraged towards funded projects.

Moreover, projects are expected to achieve concrete and measurable results and the Programme will encourage the implementation of pilot and demonstration actions to test the feasibility and practical effects i.e., of studies, research, policies and agreements. In order to increase the impact of projects on the cooperation area, the Programme will also promote capitalisation of results achieved in the previous 2014-2020 Italy-Croatia Programme (given the interest already shown by the territory on these issues) or in projects financed by other EU instruments and initiatives (i.e., Adrion, MED). In order to contribute to EUSAIR macro-regional strategy the listed actions should operate in synergy with the following flagship:

- PILLAR 2 - CONNECTING THE REGION - The Adriatic-Ionian Multi-Modal Corridors (with specific regard to green/smart port hubs concept).

Finally, the Programme will favour the creation of synergies and complementarities among the project financed by 2021-2027 Italy-Croatia Programme and those supported by other programmes and initiatives, such as CBC or transnational cooperation programmes, the Connecting Europe Facility (CEF) instrument and other measures envisaged in respective National Recovery and Resilience Plans aiming at improving ports' inter-modality capacities to make them greener, more ICT based and secure and more integrated with the hinterland's needs.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
3	RSO3.2	RCO54	New or modernised intermodal connections	intermodal connections	0	16
3	RSO3.2	RCO83	Strategies and action plans jointly developed	strategy/action plan	0	16
3	RSO3.2	RCO85	Participations in joint training schemes	participations	0	180
3	RSO3.2	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	0	50

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
3	RSO3.2	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	0.00	2021	8	Monitoring System	
3	RSO3.2	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	8	Monitoring System	

2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Given the typology of actions listed above and the expected results the Programme has identified the following main target groups:

- Local, regional, national authorities and other public institutions and agencies;

- Port authorities and infrastructure providers;
- Private companies, including SMEs;
- Transport operators and their associations;
- Civil society organisations (CSOs).

The target groups identified include therefore public and private actors that will be involved or positively affected by the enhanced inter-modality capacities of ports and by the improved maritime mobility solutions.

2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3

The actions can be implemented in the whole Programme area as identified in Chapter 1.

2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments and decided to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO3.2	ERDF	109. Multimodal transport (not urban)	10,456,527.27
3	RSO3.2	ERDF	113. Other seaports excluding facilities dedicated to transport of fossil fuels	5,034,624.24
3	RSO3.2	ERDF	083. Cycling infrastructure	2,710,951.52
3	RSO3.2	ERDF	111. Seaports (TEN-T) excluding facilities dedicated to transport of fossil fuels	5,034,624.24
3	RSO3.2	ERDF	081. Clean urban transport infrastructure	774,557.58
3	RSO3.2	ERDF	119. Digitising transport: other transport modes	1,549,115.15

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO3.2	ERDF	01. Grant	25,560,400.00

Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO3.2	ERDF	33. Other approaches - No territorial targeting	25,560,400.00

2.1. Priority: 4 - Culture and tourism for sustainable development

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

Reference: point (e) of Article 17(3)

Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Culture and tourism play an important role for the territory's economy and labour market although the sector is heavily characterised by the seasonality of touristic flows mainly affecting those regions that are economically over-dependent on the tourism industry and and the most vulnerable workforce (especially women and young people)[5].

One of the main challenges for the area is represented by the **diversification of touristic flows** aimed at ensuring equal access to tourist destinations and cultural heritage (for persons with disability, elderly people and retired, unemployed and low-income population, younger generation). Also the delocalisation of flows will be pursued to increase the environmental sustainability and to produce a positive impact on the local communities. To face this challenge, the 2021-2027 Italy-Croatia Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of SO 4.6 achieving two different results in the area.

The first result is **a lowered regional vulnerability to tourism** and the exemplary actions are:

- Implementing the results of joint studies, projects and comparative researches aimed at assessing trends, flows and impacts of tourism on the area, and developing smart and sustainable destination management strategies through the exchange of data, planning tools and digital solutions;
- Drafting and implementing sustainable development and promotion strategies of tourist destinations and territorial marketing campaigns engaging local stakeholders to diversify tourism offer also to enhance the potential of the peripheral areas and ensure the wellbeing of the residents as a long-term sustainability factor of tourism.

[5] https://ec.europa.eu/growth/news/transition-pathway-tourism-published-today-2022-02-04_en.

The second result instead regards to guarantee a **wider diffusion of sustainable, alternative and special interest tourism** and the exemplary actions are:

- Encouraging the use of existing sustainable tourism management systems and labels, and financing the creation of new cross-border brands and sustainable heritage interpretation;
- Planning cross-border information campaigns and training activities for administrators and operators on sustainable tourism concepts and the creation of attractive career paths based on a skilled workforce, fair wages and good working conditions;
- Support broader access to culture and cultural heritage through digital tools and services, with particular attention to the inclusion of more vulnerable people, and boost the development of a variety of services in tourist destinations for people with different economic backgrounds;
- Promote sustainable tourism in peripheral areas through the enhancement of experiential tourism, the diffusion of slow mobility, the creation of new routes linked to local specificities and new services provided by cultural and creative industries, also applying circular economy approaches.

Another important challenge is **to promote new and innovative integrated offers of coastal tourism** and to maintain the competitiveness of the sector. The following non- exhaustive actions have been identified to have **a more strategic and coordinated management of tourism in the area**:

- Designing and testing innovative digital solutions and new technological equipment to interpret and promote coastal and inner areas touristic resources also through the involvement of cultural and creative industries;
- Promoting the development of thematic networks such as, for instance, nautical/ cultural routes, windsurfing/kitesurfing, fisheries traditions, diving and fishing- related tourist activities;
- Fostering agreements between tourist operators of the coastal and the inner areas in order to set up coordinated, sustainable and innovative offers and itineraries, also including residents in the planning and follow-up of tourism activities;
- Designing and creating interpretation centres (e.g., visitors centers, ecomuseum etc.) for joint promotion of cross-border environmental-friendly routes and products.

Furthermore, the Programme prioritises the **improvement and modernisation of the policies for valorisation of the cultural heritage**, since it may boost the competitiveness of the territory and potentially attract visitors also off-season. The following non-exhaustive actions have been identified to contribute to the specific aims of SO 4.6 and to achieve two different results in the area.

The first result concerns a **stronger capitalisation, valorisation and preservation of tangible and intangible cultural heritage** and the exemplary actions are:

- Supporting the cross-border exchange of know-how and experiences concerning the digitalisation of cultural heritage and implementing joint solutions to

innovate cultural fruition (i.e. through artificial intelligence);

- Developing integrated strategies (including the provision of small-scale infrastructure and new ICT tools and services) aimed at better monitoring, interpreting and preserving landscapes and cultural resources also with a view to the touristic valorisation of the area;
- Supporting the joint valorisation of cultural immaterial heritage from the two countries;
- Enhance the places of culture as multidisciplinary hubs by reinforcing their spill-over effects in the economic and tourism sector, also involving private investors to ensure financial self-sustainability of the sites and implement revenue-generating activities.

The second result regards **higher number of qualified human resources in the tourism sector**, aiming at green and digital upskilling to ensure resilient and sustainable jobs in the sector and the exemplary actions are:

- Promoting cross-border education activities and inclusive training, also through knowledge exchange, for raising skills in the tourism sector, with a special focus on landscapes and cultural heritage preservation, sustainable tourism, digitalisation, destination management and heritage interpretation, involving primarily students and youth;
- Foster the experimentation of social economy measures aimed at creating resilient, fair and stable jobs, also open to people with vulnerable background, and able to develop attractive career paths in the culture and tourism sector.

The types of actions have been assessed as compatible with the **DNSH principle** according to Member State's methodology. They will not have a significant negative influence on the environment (compatibility because of their nature). Moreover, sustainable development practices will be implemented by the Programme and encouraged towards funded projects.

Projects are also expected to achieve concrete and measurable results and the Programme will also promote capitalisation of results achieved in the previous 2014-2020 Italy-Croatia Programme or in projects financed by other EU instruments and initiatives. In order to contribute to EUSAIR the listed actions should operate in synergy with the following flagships:

- PILLAR 4 - SUSTAINABLE TOURISM - AIR Cultural Routes;
- PILLAR 4 - SUSTAINABLE TOURISM CulTourAir;
- PILLAR 4 - SUSTAINABLE TOURISM - DES_AIR;
- PILLAR 4 - SUSTAINABLE TOURISM - Green Mapping for the Adriatic-Ionian Region.

Finally, the Programme will favour the creation of synergies and complementarities among the projects financed by 2021-2027 Italy-Croatia Programme and those supported by other programmes and initiatives, such as cross-border or transnational cooperation programmes, ERASMUS+ Programme and other measures envisaged in respective National Recovery and Resilience Plans aiming at improving and modernising the policies for the valorisation of cultural heritage, delocalising tourist flows and promoting new and innovative integrated offers of coastal tourism[6]. In particular, with reference to projects in neighbouring areas, the Programme will ensure that supported projects will be in coordination with them to avoid overlap and competition and enhance the impact and sustainability of funded activities.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
4	RSO4.6	RCO81	Participations in joint actions across borders	participations	150	730
4	RSO4.6	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	0	72
4	RSO4.6	RCO116	Jointly developed solutions	solutions	0	14
4	RSO4.6	RCO83	Strategies and action plans jointly developed	strategy/action plan	0	30

[6] https://www.eca.europa.eu/Lists/ECADocuments/SR21_27/SR_EU-invest-tourism_EN.pdf

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
4	RSO4.6	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	0.00	2021	15	Monitoring System	
4	RSO4.6	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	7	Monitoring System	

2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Given the typology of actions listed above and the expected results the Programme has identified the following main target groups:

- Local, regional, national authorities and other public Institutions and agencies;
- Private companies, including SMEs;
- Vocational training organisations;
- Entrepreneur and business support organisations;
- DMOs and tourist boards;
- Civil society organisations (CSOs);
- Local action groups and similar;
- Youth.

The target groups identified include therefore public and private actors that will be involved or positively affected by the actions promoting new forms of tourism and cultural offers.

2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3

The actions can be implemented in the whole Programme area as identified in Chapter 1.

2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments and decided to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
4	RSO4.6	ERDF	165. Protection, development and promotion of public tourism assets and tourism services	6,286,906.92
4	RSO4.6	ERDF	166. Protection, development and promotion of cultural heritage and cultural services	7,858,633.66
4	RSO4.6	ERDF	167. Protection, development and promotion of natural heritage and eco-tourism other than Natura 2000 sites	26,719,354.42

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
4	RSO4.6	ERDF	01. Grant	40,864,895.00

Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority	Specific objective	Fund	Code	Amount (EUR)
4	RSO4.6	ERDF	33. Other approaches - No territorial targeting	40,864,895.00

2.1. Priority: 5 - Integrated governance for stronger cooperation

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: ISO6.6. Other actions to support better cooperation governance (all strands)

Reference: point (e) of Article 17(3) Better cooperation governance

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

The opportunity to reinforce cross-border cooperation through a dedicated Interreg Specific Objective introduced by the 2021-2027 regulation is an important novelty that the Italy-Croatia Programme wish to profit by. Indeed, the analysis of the challenges that the area is facing highlights a general need to improve the knowledge base about the legal and administrative cross-border obstacles and to enhance the institutional and strategic capacities of public authorities and stakeholders. In line with the 2017 Communication from the Commission "Boosting growth and cohesion in EU border regions" and as further specified in the 2021 Communication "EU Border Regions: Living labs of European integration", the Programme is eager to uncover the persisting difficulties affecting many aspects of cross-border life and to address them to help border citizens and businesses benefit from the potential of the Programme area. At the same time, the Programme is aware of the need to support both institutional actors and stakeholders in reinforcing capacities to cooperate and actively participate in the Programme to improve the multi-level governance dimension, dialogue among different components of the Programme partnerships, involvement of unexperienced partners and newcomers to better address the needs of the Programme area.

Thus the Programme has identified the following non-exhaustive list of actions that are expected to contribute to the specific aims of ISO1 achieving two different results in the cooperation area.

The first result is related to **investigating cross-border obstacles to be solved, addressing and possibly overcoming some of them**, and exemplary actions are:

- Raising awareness of the persistence and impact of legal and administrative cross- border obstacles related to maritime cooperation in the Programme area;
- Investigating and recognising legal and administrative cross-border obstacles hindering cooperation, especially in the fields of risk management, fisheries and aquaculture, Maritime Spatial Planning;
- Addressing and reducing legal and administrative cross-border obstacles thus improving cooperation among organisations in the Programme area;

- Building capacities of public authorities and stakeholders of improving legal and administrative collaboration and governance-related mechanisms in the Programme area;
- Supporting joint actions to investigate, adapt and test digital CB services for better administrative cooperation in crucial fields of maritime cooperation (surveillance, emergency response, accessibility).

The second result is related to **increasing the capacities of public institutions and stakeholders to improve multi-level governance policy-making and to build a better cross-border cooperation**, and exemplary actions are:

- Supporting unexperienced partners and newcomers to build the needed skills to participate in the actions funded by the Programme and enhance cooperation with organisations on the other side of the maritime border;
- Developing joint collaboration schemes and governance models to valorise and promote the added-value of cooperation for the Programme area;
- Strengthening communication channels among main stakeholders and different governance levels in the two countries;
- Supporting cross-border capacity building activities for stakeholders and institutional actors, including public authorities, in the Programme area;
- Promoting multi-level governance in the domains of interoperability and data sharing among the two countries to increase coordinated planning and implementation of measures.

All the types of actions have been assessed as compatible with the **DNSH principle**, according to Member State's methodology. They will not have a significant negative influence on the environment (compatibility because of their nature). Moreover sustainable development practices, also in line with lessons learnt from 2014-2020 period, will be implemented by the Programme and encouraged towards funded projects.

Finally, the Programme will favour initiatives aimed at creating synergies and complementarities between the projects financed by the IP Italy-Croatia and those supported by other programmes and initiatives, such as CBC or transnational cooperation programmes and ERASMUS+ aimed at improving the knowledge base about the legal and administrative CBC obstacles, enhancing institutional and strategic capacities of public authorities and stakeholders, and reinforcing the capacities in order to better improve the multi-level governance dimension.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
5	ISO6.6	RCO117	Solutions for legal or administrative obstacles across border identified	solutions	0	10
5	ISO6.6	RCO86	Joint administrative or legal agreements signed	legal or administrative agreement	10	30
5	ISO6.6	RCO87	Organisations cooperating across borders	organisations	30	140

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
5	ISO6.6	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	98	Monitoring System	
5	ISO6.6	RCR82	Legal or administrative obstacles across borders alleviated or resolved	legal or administrative obstacles	0.00	2021	5	Monitoring System	

2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Given the typology of actions listed above and the expected results the Programme has identified the following main target groups:

- Local, regional, national authorities and other public Institutions and agencies;
- Academic and education institutions;
- Private companies, including SMEs;
- Local action groups and similar;
- Civil society organisations (CSOs);
- Youth.

The target groups identified include therefore public and private actors that will be involved or positively affected by the actions promoting cross border obstacles solutions and multi- level governance policy-making.

2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3)

The actions can be implemented in the whole Programme area as identified in Chapter 1.

2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments and decided to support beneficiaries through grants to have simple and harmonized rules, to have the most appropriate form of support to attract public co-financing and to meet the needs of target groups which are often small organizations.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
5	ISO6.6	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	10,460,873.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
5	ISO6.6	ERDF	01. Grant	10,460,873.00

Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority	Specific objective	Fund	Code	Amount (EUR)
5	ISO6.6	ERDF	33. Other approaches - No territorial targeting	10,460,873.00

3 FINANCING PLAN

Reference: point (f) of Article 17(3)

3.1. Financial appropriations by year

Table 7

Reference: point (g)(i) of Article 17(3), points (a) to (d) of Article 17(4)

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF	0.00	34,744,448.00	30,025,958.00	30,510,133.00	31,003,991.00	25,690,548.00	26,204,360.00	178,179,438.00
Total	0.00	34,744,448.00	30,025,958.00	30,510,133.00	31,003,991.00	25,690,548.00	26,204,360.00	178,179,438.00

3.2.Total financial appropriations by fund and national co-financing

Reference: point (f)(ii) of Article 17(3), points (a) to (d) of Article 17(4)

Table 8

Policy objective	Priority	Fund	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
1	1	ERDF	Total	26,094,903.00	24,387,760.00	1,707,143.00	6,523,726.00	6,139,479.00	384,247.00	32,618,629.00	79.9999993869%	0.00
2	2	ERDF	Total	69,816,336.00	65,248,913.00	4,567,423.00	17,454,084.00	16,984,569.00	469,515.00	87,270,420.00	80.0000000000%	0.00
3	3	ERDF	Total	27,349,628.00	25,560,400.00	1,789,228.00	6,837,407.00	6,428,531.00	408,876.00	34,187,035.00	80.0000000000%	0.00
4	4	ERDF	Total	43,725,437.00	40,864,895.00	2,860,542.00	10,931,360.00	10,778,322.00	153,038.00	54,656,797.00	79.9999989022%	0.00
6	5	ERDF	Total	11,193,134.00	10,460,873.00	732,261.00	2,798,284.00	2,796,303.00	1,981.00	13,991,418.00	79.9999971411%	0.00
	Total	ERDF		178,179,438.00	166,522,840.00	11,656,598.00	44,544,861.00	43,127,204.00	1,417,657.00	222,724,299.00	79.9999994612%	0.00
	Grand total			178,179,438.00	166,522,840.00	11,656,598.00	44,544,861.00	43,127,204.00	1,417,657.00	222,724,299.00	79.9999994612%	0.00

4 ACTION TAKEN TO INVOLVE THE RELEVANT PROGRAMME PARTNERS IN THE PREPERATION OF THE INTERREG PROGRAMME AND THE ROLE OF THOSE PROGRAMME PARTNERS IN THE IMPLEMENTATION, MONITORING AND EVALUATION

Reference: point (g) of Article 17(3)

Based on the assumption that the involvement of the relevant programme partners is crucial during the preparation of the 2021-2027 Programme, the TF approved the "*2021-2027 ETC CBC Programme Italy-Croatia – Plan for an effective involvement and consultation process of the economic and social partners within the programming phase*" (hereafter referred as "the Plan"). This document foresees the implementation of actions to ensure the involvement of Programme partnership, in accordance with the European Code of Conduct on Partnership and with art. 8 of the Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 – "CPR Regulation".

It should be considered that, in accordance with the multilevel governance approach, the whole involvement of the relevant Partnership was guaranteed at all stages by the National Committees (NC) set up the national level. This ensured the participation of all Partnership Representatives in the decision-making process, since they were involved in the discussion of proposed documents and in the definition of the positions that were subjected to the TF for decisions.

In order to inform the stakeholders and, wherever possible, the widest audience on the consultation activity and on the drawing up of the new Programme a specific section of the Programme website is dedicated to the 2021-2027 programming period (https://www.italy-croatia.eu/web/it-hr-interreg-2021-2027/home).

The consultation process has been organized at two levels: local and cross-border, involving all partners listed in the aforementioned art. 8.

LOCAL CONSULTATION

The first round of consultation started with two local webinars organized online on 15th and 16th April 2021 for Croatian and Italian stakeholders respectively, previously consulted via an online survey (launched on 2nd April 2021 and closed on 13th April 2021).

This consultation phase addressed the following **4 macro areas**:

a. analysis of the needs of Programme territories (at the NUTS 3 level);

b. new policies and EU regulations: objectives and key priorities proposed by European Commission;
c. EUSAIR flagship per each pillar (in order to explore the coherency and interest of our stakeholders on EUSAIR flagship);
d. innovation in procedures, types of calls/projects (in order to analyse the needs and priorities of our users in relation to the possibilities that the new EU Regulations 21- 27 put at disposal for the preparation of the new calls and procedures).

The consultations were organized according to the same shared methodology, but the language was adapted to the needs of the local stakeholders invited by the Programme on behalf of Task Force 21-27, thus Croatian and Italian were used to guarantee the full understanding and acknowledgement of the overall content.

During the local consultation many **target groups** have been reached, covering the following subjects:

- Italy-Croatia Programme Lead applicants (both of the approved and non-funded projects);
- Adrion Programme's Lead applicants in the IT-HR Programme area (both of the approved and non-funded projects);
- EUSAIR stakeholders (members of the EUSAIR governing board and Thematic Steering groups).

The delegations and national committees gave support to the identification of the final stakeholders' mailing list.

Almost **200 participants** actively joined the webinars: 70 in the Croatian and 120 in the Italian side have been engaged in the online webinars.

During the webinars, **poll voting** was used to express stakeholder's opinion and to provide inputs in relation to the 4 macro areas. The aim of the process was to collect inputs and suggestions as well as ideas on potential cross-border issues to be supported for the 2021- 2027 Italy-Croatia Programme to support the Task Force in the strategic choices (thematic concentration).

Participants were proposed with a number of **keywords** representing respectively the needs and strengths of the area in specific thematic domains. Keywords were selected by the evaluator based on the participants' preliminary open answers to the **online questionnaire**. For macro-area C and D the MA and JS identified the most relevant questions to be submitted to the participants.

Stakeholders' consultations results were published on the Programme webpage dedicated to Post 2020. The document presents an in-depth analysis of the answers received during the live poll organized on occasion of the 2 webinars with Croatian and Italian local stakeholders. Furthermore, the video registrations and presentations used during the webinars were made available for all the stakeholders publicly on the Programme website section dedicated to the Post 2020 and shared with all participants, informing the partners on how and why their proposals have been taken into consideration.

All these results have been included and considered for drafting the final version of the Territorial and Socioeconomic analysis and related SWOT analysis and, on this basis, the Task Force identified the Programme vision and strategy.

CROSS BORDER CONSULTATION

Following the decision taken on 2021-2027 Policy Objectives and Specific Objectives, this second round of consultation is aimed at collecting the stakeholders' opinion on the following main aspects of the programming process.

The **target groups** were identified as follows:

- GENERAL PUBLIC: addressed through the IT-HR Programme website, the NDs' support and specific mailing lists identified for some relevant sectors not yet covered (i.e. NGOs, economic and social partners);
- RELEVANT STAKEHOLDERS;
- 2014-2020 LPs of IT-HR & ADRION Programme financed/non-funded projects + EUSAIR representatives (mailing list agreed by the TF for the local consultation);
- territorial stakeholders: representatives from Italian regions and Croatian counties and representatives from national coordination authorities (contact persons addressed by the evaluator's interviews).

This second round of consultation consisted of two steps: an online survey and a webinar.

The first step of the second round of consultations consisted of a survey addressed to the wider public - all Programme stakeholders. The survey launched on 25th September and closed on 8th October 2021, collected all the inputs coming from both the previous local consultation and the TF's decisions. The invitation to participate in the survey was published on the Programme website (specific section dedicated to the 2021-2021) and widespread among all the Programme's official channels.

The main aims of this survey were:

- to know and collect the stakeholders' opinion on the priority strategies and Policy and Specific objectives that have been identified by the TF. These inputs have been taken into account by the TF for the decision related to the 2021-2027 It-Hr Programme's budget allocation per PA, maximizing the preferences of Stakeholders collected during the CB consultation;

- to collect input to define the actions and related target groups that will be implemented through the 2021-2027 Programme.

In total 166 stakeholders participated in the online survey: 94 from Italy and 74 from Croatia: the majority of participants belonged to the University / research center / higher education (30.12%).

The second step of the second round of consultations was conceived as a Cross-border consultation webinar organized online on 21st October 2021 and opened to all Programme stakeholders. The invitation to participate in the webinar was published on the Programme website (specific section dedicated to 2021-2027) and widespread among all the Programme's official channels.

The purpose of the webinar was to describe the 2021-2027 programming and consultation process, provide an overview of the POs and SOs selected by the TF and present the Intervention Logic followed to identify the examples of actions, as well as to analyse and discuss together with the stakeholders the answers collected through the on-line survey, with a particular focus on each thematic priority. The engagement of the participants was ensured by means of the live questions and answers and in the form of polls in order to collect suggestions for the fine-tuning of the 2021-2027 Programme, before its submission to the European Commission.

220 participants attended the webinar: 78 stakeholders from Croatia, 141 from Italy and one from Albania have been engaged in the online webinar.

The video registrations and presentations used during the webinars were made available for all the stakeholders publicly on the Programme website section dedicated to the Post 2020 and shared with all the participants, informing the partners on how and why their proposals have been taken into consideration.

The involvement of partnership also took place during theStrategic Environmental Assessment (SEA) at two levels: during the scoping phase involving the Environmental Authorities of the Programme area and, at a later stage, questioning the general public on the Environmental report.

The scoping phase started on 6th August 2021 and was concluded on 30th September 2021. The following public consultation on Environmental Report, the IP draft and the Non- Technical Summary started on 30th November 2021 and was concluded on 14th January 2022. No comment on the documents was received from the public and stakeholders, while a reasoned opinion was expressed by the Environmental Authority of Croatia and the corresponding authorities of the seven Italian Regions included in the cooperation area. All the opinions were duly taken into consideration.

INVOLVEMENT DURING THE IMPLEMENTATION OF THE PROGRAMME

The continuous involvement of relevant partners in the implementation of the 2021-2027 Italy-Croatia Programme is envisioned for two reasons:

- To enhance ownership of the Programme among partners, in order to make use of their knowledge and expertise and to increase transparency in decision-making processes;
- To improve the coordination with other ESI Funds as well as with relevant funding instruments and MRS.

While specific measures will be organised to involve specific audiences with more specific objectives, the continuous involvement of relevant partners in the 2021-2027 Italy-Croatia Monitoring Committee will be secured, also continuing to involve the relevant Partnership, through the National Committees. Like in the programming phase, these represent platforms in which relevant territorial partners, including MRS stakeholders, research organisations and universities, can voice their positions on strategic matters concerning the implementation of the Programme.

During implementation, the MC members will be involved in relevant tasks including the preparation of calls for proposals and Programme progress reports as well as its monitoring and evaluation. The Programme will take appropriate measures to avoid potential conflict of interest in the preparation of calls for proposals or in their assessment. MC members will be asked to sign a statement declaring the absence of conflict of interest. If a conflict is evidenced, the concerned member will be asked not to take part in the discussion and decision.

Where relevant, the MC will strive for coordination with Cohesion Policy programmes and other EU funding instruments, for example by inviting representatives of institutions participating in the implementation of relevant EU and/or regional programmes.

In accordance with the multilevel governance and subsidiary principles and promoting a bottom-up approach, the 2021-2027 Programme will support the strengthening of the institutional capacity for partners. Young people and in particular students will be involved throughout the programming period in future editions of the ASOC ETC Italy-Croatia project.

5 APPROACH TO COMMUNICATION AND VISIBILITY FOR THE INTERREG PROGRAMME (OBJECTIVES, TARGET AUDIENCES, COMMUNICATION CHANNELS, INCLUDING SOCIAL MEDIA OUTREACH, WHERE APPROPRIATE, PLANNED BUDGET AND RELEVANT INDICATORS FOR MONITORING AND EVALUATION)

Reference: point (h) of Article 17(3)

Objectives & Target Audiences

Based on Programme management objectives, **communication objectives** are summarized in 4 phases:

- Drafting - Facilitating & enhancing cooperation within public administration and strengthening internal communication capacity: increasing the communication and digital skills of all Programme bodies;
- Application - Involving stakeholders & attracting relevant beneficiaries for ensuring long-lasting impacts: raising awareness and knowledge of the Programme rules and expectations in all policy areas;
- Implementation - Supporting projects during their implementation: increasing knowledge & capacities of the beneficiaries to implement projects efficiently and supporting them in the creation of thematic communities;
- Capitalisation - Raising awareness & visibility of the Programme achievements and strengthening the re-use of results: improve the accessibility & increase the transfer of the generated knowledge in specific fields.

Targeted audiences will be addressed per each specific objective with the aim to reach positive changes foreseen by Programme:

- Potential beneficiaries and funded projects' LPs and PPs;
- Internal stakeholders (JS, MA, NAs, GoA, AA, CC etc.);
- Multipliers of the private sector (including CSOs, thematic associations, SMEs or opinion leaders);
- EUSAIR and other Interreg Programmes' stakeholders;
- Local, regional, national, EU institutions;
- Policy makers;

- Research and education institutions;
- Media representatives;
- Interact & EU info centres;
- Thematic national & EU networks:
- General public.

Channels & Messages

Digital channels (website, social media, online platforms) represent a core element of the Programme's communication strategy, following a general trend, accelerated by the pandemic. In particular, the Programme will build on the current social media presence (Twitter, Facebook, YouTube) and increase the number of followers especially to promote events, initiatives and achievements and engage the audience.

Interreg harmonized brand is adopted for immediate visibility at the EU level. Stakeholders will be provided with key information elaborated in the form of structured documents and in easy-to-use communication materials. The opportunities for continuous dialogue with potential beneficiaries will be ensured by means of engaging them in meetings and online events. Media relations will be used to inform on calls for proposals and to increase traffic to the website (1st entry point to all relevant communication). The dissemination of project stories and publications is foreseen via targeted channels for thematically diversified lists of target groups as well as via broader channels for the general public. The annual plan will define and allocate funds for the procurement of specific tools for the facilitation of the internal workflow and for ensuring constant staff training. The results and achievements at the project and Programme level will be promoted and capitalised also in cooperation with national/EU organisations, INTERACT and other Interreg Programmes.

Both Italy and Croatia, in accordance with Article 46(b) of the CPR, will ensure adequate communication aimed at Union citizens on the role and the achievements of the Funds through a single website portal each, which will provide access to all the programmes involving the Member State.

Budget

The communication activities will be budgeted annually by TA. As recommended by the EC, the overall communication budget will not be less than 0.3 % of the total Programme budget.

Communication Officer

The Communication Strategy implementation is a horizontal management task of all Programme staff members, affecting in particular JS and MA, but also NAs and the Control System. The Communication Officer is responsible for the activities' planning, coordination and monitoring within the Programme, with the constant support of all JS.

Monitoring and evaluation

Relevant quantitative and qualitative indicators will be defined in line with the annual work plan and objectives. Data will be collected through surveys, statistics, social media and website analytics, participant lists. The SMART approach to communication indicators will be applied, both for the breakdown of the objectives as well as to guide the choice of the indicators. Different categories of indicators are foreseen, focusing on activities, outputs and results of the Communication Strategy and aiming at capturing its efficacy and effectiveness. Indicators may focus on: the overall usefulness of events for attendees, % of attendees speaking positively about the event, the number of people having a more positive opinion of the organisation/policy, cost per view, % of videos with view completion of 50% or >; and so on. Monitoring activities will be ensured by the JS while evaluation of achievements will be part of the ongoing external evaluation envisaged within the Programme Technical Assistance.

Operations of Strategic Importance

These projects will receive adequate support by the Programme with ad hoc communication activities according to needs, through the different channels and addressing all relevant stakeholders, decision-makes and representatives of institutions.

6 INDICATION OF SUPPORT TO SMALL-SCALE PROJECTS, INCLUDING SMALL PROJECTS WITHIN SMALL PROJECT FUNDS

Reference: point (i) of Article 17(3), Article 24

Small-scale projects, i.e. projects of limited financial volume according to art. 24 of Interreg Regulation, represent an opportunity for the 2021-2027 Italy-Croatia Programme, to balance its territorial strategy, starting from the lessons learnt of the programming period 2014-2020. Indeed, funded projects in the first Programme between Italy and Croatia were of two main types: Standard and Strategic, with an average budget of 2,2 million EUR and about 10 partners. The 2021-2027 Italy-Croatia Programme intends to add to these typologies of projects also the small-scale ones, which will allow enlarging the scope and target groups of the Programme strategy. The IP Italy-Croatia, indeed, has decided to use small-scale projects in different phases of Programme implementation, with different goals. First of all, small projects will allow responding to the **need to diversify the categories of beneficiaries** participating in the Programme.

Within different Specific Objectives, it will be possible to fund small-scale projects involving public and private **smaller organisations and newcomers**, address specific thematic issues and very concrete needs in the area, support smaller partnerships with limited-scope interventions.

The thematic focus of small-scale projects shall mainly but not only fall within **ISO 1, SO 2.7 and SO 4.6** which appear to be more able to achieve tangible results even within limited partnership, budget, duration and scope.

Moreover, small-scale projects will be useful to **raise awareness and investigate existing cross-border obstacles** that shall be uncovered and reduced, under ISO 1 Priority. Finally, capitalisation and closure-phase operations bridging two programming periods, will be possibly implemented through small-scale projects, allowing more flexibility and shorter projects better adapting to the raising needs in the second part of the programming period.

The **indicative size** of small-scale projects will go from 125,000 EUR ERDF to 200,000 EUR ERDF per project.

As a fundamental aspect of implementing small-scale projects, the Programme intends to develop several **simplifications** and decrease the administrative burden to beneficiaries both in the application as well as in the implementation and reporting phase. In order to do that, **Simplified Cost Options** (SCOs) will be developed between the Programme and the Projects, as foreseen by the regulations. The use of SCOs will be intensified and made mandatory in particular within small-scale projects, thus simplifying also the management verifications and the monitoring of achievements.

The 2021-2027 Italy-Croatia Programme plans to fund small-scale projects directly according to Article 24 (1, a), not implementing one or more Small Project Funds as defined in Article 24 (1, b) and 25 of the Interreg Regulation.

7 IMPLEMENTING PROVISIONS

7.1. Programme authorities

Reference: point (a) of Article 17(6)

Table 9

Programme authorities	Name of the institution	Contact name	Position	E-mail
Managing Authority	VENETO REGION Area for Economic Policies, Human Capital and Programming of European Funds Directorate for Joint Programming Organisational Unit Italy-Croatia Managing Authority	Ms Silvia Comiati		italia.croazia@regione.veneto.it
Audit Authority	Veneto Region Directorate Control System and Inspection activities	Mr Michele Pelloso		sistemacontrolliattivitaispettive@regione.veneto.it
Group of auditors representatives	ARPA - Agency for the Audit of European Union Programmes Implementation System	Mr Neven Šprlje		neven.sprlje@arpa.hr
Body to which the payments are to be made by the Commission	Ministry of Economy and Finance State General Accounting Department Inspectorate General for Financial Relations with the European Union (I.G.R.U.E.)	Mr Paolo Zambuto		paolo.zambuto@mef.gov.it

7.2. Procedure for setting up the joint secretariat

Reference: point (b) of Article 17(6)

After consultation of the Member States participating in the Programme, the MA will set up a JS (Article 46 (2) of Regulation (EU) 2021/1059 [Interreg]) with staff taking into account the Programme partnership.

In continuity with the 2014-2020 programming period, the Veneto Region premises, located in Venice, shall be the main seat of the Joint Secretariat and of its Head; an antenna shall be hosted in Zadar. The antenna, 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 coordination of the Head of Joint Secretariat.

Considering the experience of the predecessor Programme in the 2014-2020 period, it is essential to guarantee a continuous and competent service by the JS, capitalizing the competence and skills acquired by the offices in Venice and Zadar.

In accordance with Article 17(6)(b) of the Interreg Regulation continuity of the Joint Secretariat will be ensured by structural arrangements including a core group, composed of permanent staff, mainly coming from the current JS and Branch Offices, in order to count on a solid base, alongside a further group composed of external experts (self-employment contract). All JS members are asked when recruited to sign a declaration on absence of conflict of interest and to update it if necessary, during Programme implementation.

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

As a general rule, any new recruitments or substitutions of permanent staff (core group) should be anticipated by a specific agreement between the two countries; otherwise, recruitment procedure for the hiring of external experts (open, transparent and internationally competitive), should be agreed and approved by both countries and both countries shall be included in the evaluation procedure.

7.3. Apportionment of liabilities among participating Member States and where applicable, the third or partner countries and OCTs, in the event of financial corrections imposed by the managing authority or the Commission

Reference: point (c) of Article 17(6)

Apportionment of liabilities within the Programme management is ensured consistently with articles 69, 74, 76 and – for the specific purposes of financial management and consequent corrections – 103 of Regulation (EU) No 1060/2021.

Without prejudice to the Member States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to art. 69 (1) and (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. 52 (1) of Interreg Regulation, the Project Partners shall repay the Lead Partner any amounts unduly paid. In line with art. 52 (2) of Interreg Regulation, the Managing Authority will not recover from a beneficiary an amount unduly paid if it does not exceed EUR 250 (not including interest) paid to an operation in a given accounting year.

The MA is responsible for reimbursing the amounts recovered to the general budget of the European Union, in accordance with the apportionment of liabilities among the participating Member States. The MA will reimburse the funds to the European Union, once the amounts are recovered from the Lead Partner, Project Partner and Member State.

If the LP does not succeed in securing repayment from a PP or if the Managing Authority does not succeed in securing repayment from the LP, the Member State where the LP or PP concerned is located shall reimburse the Managing Authority the amount unduly paid to that PP in accordance with Article 52 (3) of the Interreg Regulation.

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.

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.

In accordance with Article 52 (4) of the Interreg Regulation, once the Member State has reimbursed the Managing Authority any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner under its national law.

Should the Member State not reimburse the Managing Authority, in accordance with Article 52 (5) the amounts shall be subject to a recovery order by the European Commission that, where possible, will be executed by offsetting with amounts due to the Member State. Such recovery shall not constitute a financial correction and shall not reduce the support from the ERDF to the respective Interreg programme. The offsetting shall concern subsequent payments to the same Interreg programme. In such an eventuality, the Managing Authority will start bilateral discussions with the Member State at fault until a joint solution is found on how and from where to offset the amount deducted by the European Commission.

The Member States will bear liability in connection with the use of the Programme ERDF funding as follows:

- each Member State bears liability for possible financial consequences of irregularities caused by the Lead Partners and Project Partners located on its territory;

- for a systemic irregularity or financial correction on Programme level that cannot be linked to a specific Member State, the liability shall be jointly borne by the two Member States in proportion to the ERDF claimed to the European Commission for the period, which forms the basis for the financial correction;
- for Technical Assistance expenditure incurred by the MA, the liability related to administrative irregularities shall be borne by the MA;
- for the Technical Assistance expenditure incurred by the Member States the liability shall be borne by the Member State concerned.

As stated in Article 69 (12) of the CPR, irregularities shall be reported by the Member State in accordance with the criteria for determining the cases of irregularity to be reported, the data to be provided and the format for reporting set out in Annex XII. The Member State shall also inform the Managing Authority who will in turn inform the Audit Authority and the GoA. Specific procedures in this respect will be part of the description of the Programme management and control system.

According to articles 69, 1 and 2, of Regulation (EU) No 1060/2021, Member States shall have management and control systems for their programmes in accordance with the principle of sound financial management and the key requirements listed in Annex XI, shall ensure the legality and regularity of expenditure included in the accounts submitted to the Commission and shall take all required actions to prevent, detect, correct and report on irregularities including fraud.

8 USE OF UNIT COSTS, LUMP SUMS, FLAT RATES AND FINANCING NOT LINKED TO COSTS

Reference: Articles 94 and 95 of Regulation (EU) 2021/1060 (CPR)

Table 10: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95 CPR	Yes	No
From the adoption, the Programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under the priority according to Article 94 CPR		X
From the adoption, the Programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR		X

Appendix 3: List of planned operations of strategic importance with a timetable - Article 22(3) CPR

This new kind of operations can help the achievement of Programme objectives by targeted calls for proposals devoted to specific domains and, consequentely, categories of beneficiaries or strategic challenges and potentials investigated by EUSAIR flagship initiatives.

The foreseen categories of OSIs are the following two:

1) **SMEs Facility**. The aim of this instrument is to target specific domains of the Blue Economy with a high potential in terms of growth, innovation and reinforcement of skills based on CB business cooperation between SMEs/start-ups by minimizing the bureaucratic burden upon them. Thanks to the Operations of Strategic Importance targeting SMEs it will be possible to stimulate the concrete cooperation among research and SMEs in blue economy domains through schemes combining grants, access to services as well as coaching. Operations of strategic importance could be funded in both Specific Objectives 1.1 and 1.4 and will have a multiannual duration. The instrument is coherent with the topic proposed in the EUSAIR flagship themes mentioned for these SOs.

2) **Further Operation(s) of Strategic Importance** that could be funded in relation to the topics proposed in the EUSAIR flagship themes mentioned for each SO (excluding SO 1.1, 1.4 and ISO1) and, possibly, coordinated with other Interreg Programmes of the Adriatic-Ionian area, in the framewok of the embedding process.

Timetable:

Launch of Call for Proposals for Operations of Strategic Importance targeting SMEs (SOs 1.1 and 1.4) – 2nd semester 2023 (indicative timing).

Launch of Call for Proposals for Operations of Strategic Importance in the other SOs (except ISO1) – no later than 2nd semester 2023 (indicative timing).

DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent by
Map Programme Area	Map of Programme Area	15-Jul-2022		Ares(2022)5167168	Map Programme Area	15-Jul-2022	Gerli, Massimo
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