

**INTERREG V-A Italy – Croatia
2014-2020**

CCI 2014TC16RFCB042

**Annual Implementation Report
CITIZEN'S SUMMARY**

Article 50(9) of Regulation (EU) No 1303/2013

Draft 2/2017

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The INTERREG V A Cross-border Cooperation Programme between Italy and Croatia supports the Europe 2020 strategy for smart, sustainable and inclusive growth. The total Programme budget is EUR 236.890.849,00, with EUR 201.357.220,00 from ERDF (European Regional Development Fund) and EUR 35.533.629,00 as National counterpart (public and private). The Programme covers the entire period 2014-2020 continuing and strengthening the collaboration between institutions, organisations and networks facilitated by the South East Europe, Mediterranean, and IPA Adriatic 2007-2013 Programmes.

During the year 2016, several Programme implementation targets have been achieved:

- Programme bodies were set up and Joint Secretariat staff recruited;
- The Programme launch event was organised;
- The Annual Implementation Report (AIR) 2015 was approved and submitted to EC;
- The Communication Strategy was approved;
- The application module of the management and monitoring system (SIU) was developed;
- The Cooperation Programme was revised to update the indicator system;
- The main elements of the first Set of Call for Proposals were agreed and defined.

The **main 2016 decision-making actions** put in place for the implementation of the Programme were:

- 1 Task Force plenary meeting on 16th February 2016¹;
- 2 Monitoring Committee meetings, held in Venice on 9th-10th June 2016 and 13th-14th December 2016;
- 1 Working Group meeting on 20th July 2016²;
- 1 Written Procedure to approve the minutes of the 2nd MC meeting.

Setting up of Programme bodies

The staff assigned to the **Managing Authority (MA)** at the start up stage of the Programme implementation was composed of 4 units with a permanent contract and one Director (all FTE). During 2016, MA staff was increased by three units, initially all of them with fixed-term contracts, then one permanent unit and 2 fixed-term units (all FTE). The MA was also transferred to an appropriate venue at the Veneto Region's headquarters in Venice. In addition, an internal structure for first level control has been identified for projects related to the Technical Assistance activities managed by the MA, as well as for the technical assistance projects dedicated to the Certifying Authority (CA) and to the Audit Authority (AA). This structure has been identified in the "Nucleo di Controllo di Primo Livello" (First Level Control Unit), that is functionally dependent from the Director of the Budget and Accounting Directorate.

¹ In 2013 a temporary working unit called "Task Force" composed by the Institutional partners of the Programme and one representative of the European Commission was set up in order to supervise the programming procedures.

² The Working Group was set up during the 1st Monitoring Committee meeting on 9th-10th June 2016 to discuss in detail the documents related to the First Set of CfP.

Concerning the **Certifying Authority (CA)**, with resolution No. 1994/2016 the Regional Government, following the previous resolution No 1001/2014, confirmed the identification of the Certifying Authority (CA), located in the Veneto Region. The CA is independent from the MA; although both are part of the same public administration, the two authorities are located in separate areas and are functionally independent from each other. The personnel assigned to the CA has been strengthened with an additional fixed-term employee during 2016, initially consisting of n. 2 permanent units, as well as one Director (personnel expenditures on Technical Assistance budget).

Regarding the **Audit Authority (AA)**, the Ministry of Economy and Finance (MEF) – office for Financial Relations with the European Union (IGRUE) - concluded the formal verification of the requirements of the identified AA – AVEPA. Moreover, considering that the Italy-Croatia Programme has established that the Audit Authority is assisted, pursuant to Article 25 (2) of Regulation (EU) 1299/2013, by a **Group of Auditors (GoA)** composed of a representative of each Member State participating in the Programme, contacts with Croatian Audit Agency were taken in order to appoint the mentioned GoA which was formally set up in March 2016. In addition, during 2016, the audit strategy, as per art. 127 (4) of Regulation (EU) No. 1303/2013 was subject to prior assessment by the GoA on 26/07/2016, and then was adopted by Decree no. 150 of 09.08.2016. Following the adoption of the audit strategy, also the Audit Manual and its annexes, prepared with the assistance of the Group of Auditors, referred to in Article 25 (2), of Reg. (EU) n. 1299/2013 were approved by Decree no. 1 on 15.12.2016 .

The **Monitoring Committee (MC)** composition was agreed by the Member States participating in the Programme. MC composition was formally established by regional resolution of the Veneto Region no. 257 of the 08th March 2016 and subsequently the Managing Authority appointed the members and substitutes of the Monitoring Committee of the Italy-Croatia Cooperation Program by the decision of the MA Director no. 3 of the 17th March 2016. During 2016, the Republic of Croatia identified some of the members in advisory capacity representing public authorities, economic and social partners and civil society of the Italy-Croatia CBC Programme, while the designation of Italian members in advisory capacity was postponed to 2017.

JS selection and contracting

The Head of JS was contracted at the beginning of May, while other 15 members were selected in the following months:

- n. 2 administrative profiles (1 senior and 1 junior)
- n. 1 legal expert (senior)
- n. 2 financial profiles (1 senior and 1 junior)
- n. 2 communication profiles (1 senior and 1 junior)
- n. 8 project managers (all junior)

All the staff were hired by Veneto Region, exception made just for 4 project managers working at the JS Branch Offices in Croatia and who were hired by the Agency for Regional Development of Republic of Croatia.

All calls requirements were discussed in the Task force meeting and the selection procedures were carried out in a transparent way, open to all the European citizens and competitive, based on the Job profile and terms of reference agreed by both countries. Selection boards were composed by members of both participating Member States.

Programme Launch Event

As regards to the Programme kick-off event, held in Venice on 7th and 8th November 2016, this was the occasion to officially launch the INTERREG V A Italy-Croatia CBC Programme with the slogan "Catching the European wind to sail in the blue cooperation space".

During the first day, the works were opened by the intervention of high level EU and National Member States representatives. This was followed by a session dedicated to other Cross-border maritime Programmes of the Adriatic basin and beyond, focussing on cooperation in the maritime context. The second day was devoted to the presentation of the new Italy-Croatia CBC Programme in detail. The Joint Secretariat provided technical orientation to potential beneficiaries for the 1st Call for Proposals in terms of approach, priorities and financial allocations. Furthermore, during 4 thematic parallel sessions, the floor was given to potential applicants to present their project ideas. Each of the two days dedicated to the launch of the Programme was attended by more than 300 participants, representing organizations and institutions from the entire Programme area.

Communication Strategy and Plan for 2017

Regarding the Communication Programme activities, the Monitoring Committee approved on December 2016 the Communication Strategy and Plan for 2017, which was integrated with some requests of the MC and the EC representatives, as the Gantt diagram to clarify the activities' timing and the introduction of meetings with beneficiaries, regional events, use of social media and project clustering.

Management and Monitoring System

Regarding the state of the art of the Programme Management and Monitoring System, during the Task Force meeting held in February 2016 it was proposed to use of the e-monitoring system developed by Veneto Region to support the implementation of all ESI-funded Programmes. The system, named "SIU", had to be customised to make it suitable to the needs of an ETC Programme; SIU has been designed to manage all the interactions via electronic data exchange for the entire Programme cycle, starting from the drafting and submission of the applications, to their assessment, the financial management and control and also the monitoring requirements. It should be able to ensure all electronic interactions between beneficiaries and MA/CA/AA along all Programme duration.

The system (application module) has been developed by technicians, throughout 2016, with the aim to be utilised for the first CfP.

Revision of Cooperation Programme

Concerning the Cooperation Programme (CP), a revision was necessary and mainly due to the fact that it was approved in December 2015 without baseline values for result indicators of PA 2 (SO 2.1 and SO 2.2).

As a consequence, the MA, with the support of JS, during the MC meetings held in 2016 firstly presented the procedure for gaining the data and calculate the result indicator baselines and secondly presented the new identified baseline values for SO 2.1 and SO 2.2 result indicators, acquired through an *ad hoc* survey carried out between the two MC meetings.

Other minor revisions of the CP concerned:

- a reformulation of some output indicators, in order to fully align them with the wording of the ETC regulation’s common indicators and make them more fitting to the S.Os. of the CP;
- minor revisions due to clerical mistakes;
- the inclusion of the co-financing in some tables of the financial plan;
- the revision of the names of Managing Authority and Certifying Authority (as a result of Veneto Region internal re-organisation).

The Monitoring Committee approved all the final revisions regarding the Cooperation Programme during the 2nd MC meeting. Since the 2nd Monitor Committee Meeting was held in mid-December 2016, the submission to the EC and publicity of the revised Cooperation Programme was postponed to the beginning of 2017.

First CfP

Concerning the First Call for Proposals (CfP), the MC set up a Working Group (WG) to support the Programme implementation and the definition of the main elements of the first CfP (call, selection criteria, application package).

Following the discussion in the WG session, the MC approved the main elements of the call and in particular the proposal of launching a two-fold CfP, one for “Standard” projects and one for “Standard+” projects (with budget and ranking defined per Priority Axis), as follows:

FEATURES	TYPE OF PROJECTS	
	“Standard”	“Standard+”
LP	Public or public equivalent body	Public or public equivalent body
Min. # of Partners	4 Partners (at least 1 IT and 1 HR)	3 Partners (at least 1 IT and 1 HR that were partners of 2007-2013 funded project)
Max duration	30 months	18 months
Priority Axes	PA1, PA2, PA3, PA4	PA1, PA2, PA3, PA4
Additional info	<ul style="list-style-type: none"> • An Institution can participate in both “Standard” and “Standard+” proposals • An institution can be LP in max 2 “Standard” proposals per Specific Objective • Capitalisation from projects funded within 	<ul style="list-style-type: none"> • Capitalisation from 2007-2013 projects funded by Adriatic IPA CBC, SEE and MED is compulsory • The 2007-2013 project can generate only one “Standard+” proposal • Each institution can be LP only in one “Standard+” proposal

	previous programming periods is encouraged	<ul style="list-style-type: none"> For project proposals with small scale infrastructures and construction works all the necessary authorisations and permissions have to be available at the moment of the application
Min ERDF contribution	Euro 500.000,00	Euro 500.000,00
Max ERDF contribution	Euro 3.000.000,00	Euro 1.000.000,00
Min ERDF contribution per PP	Euro 50.000,00	Euro 50.000,00
Restrictions for specific Priority Axes	<ul style="list-style-type: none"> In PA 1 and PA3 private bodies are eligible in case of enterprises they have to be SMEs (EU recomm. 2003/361) In PA2 private bodies are eligible but enterprises are not eligible In PA 4 all private bodies are eligible including enterprises, irrespective of their size 	<ul style="list-style-type: none"> In PA 1 and PA3 private bodies are eligible and in case of enterprises they have to be SMEs (EU recomm. 2003/361) In PA2 private bodies are eligible but enterprises are not eligible In PA 4 all private bodies are eligible including enterprises, irrespective of their size
Budget lines available	<ul style="list-style-type: none"> Preparation costs Staff Office and administration External expertise and services Travel and accommodation Equipment Small scale infrastructure and construction works 	<ul style="list-style-type: none"> Preparation costs Staff Office and administration External expertise and services Travel and accommodation Equipment Small scale infrastructure and construction works

Moreover the MC approved in 2016 some of the main documents of the Application Package, defined by the WG such as the Call Announcement, Factsheet n. 1 "Introduction and Background", Factsheet n. 2 "Project Generation", Factsheet n. 3 "Project Development" and Glossary, while the remaining parts of the Application package of the 1st Calls for Proposals has been presented in 2016 but approved by MC in 2017.