

Annual Implementation Report 2019 CITIZENS' SUMMARY

Article 50(9) of Regulation (EU) No 1303/2013
18.09.2020

PROGRAMME PRESENTATION

The Italy - Croatia Cross Border Cooperation Programme 2014 - 2020, including the Adriatic Sea basin, aims "to increase the prosperity and the blue growth potential of the area by stimulating cross-border partnerships able to achieve tangible changes" (Source: It-Hr Cooperation Programme).

Please find below the main information of the Programme, with a particular focus on its progress until 2019.

Italy - Croatia is a Programme that overlooks the Adriatic Sea and is driven by the overall objective aimed at increasing the prosperity and the blue growth potential of the area by stimulating cross-border partnerships able to achieve tangible and concrete changes.

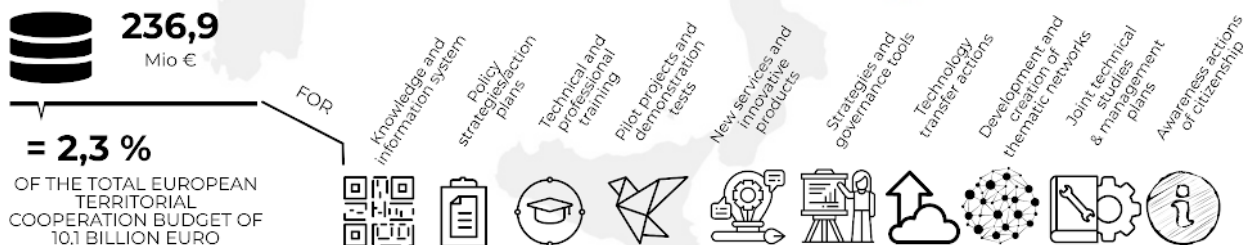
PROGRAMME IN NUMBERS FOR 2019



PROGRAMME TIMELINE



BUDGET INVESTED & MAIN EXPECTED OUTPUTS



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

The Italy-Croatia CBC Programme’s **overall objective** is to increase the prosperity and the blue growth potential of the area by stimulating cross-border partnerships able to achieve tangible changes.

The Programme allocated **201,4 Mio EUR** from European Regional Development Fund (ERDF, 85% of the overall budget) and, with a total of **236,9 Mio EUR** (ERDF + National Co-financing), financed **4 Priority Axes (PAs, see image below)**, responding to the identified key assets and challenges. An additional **PA 5** relates to the Technical Assistance, which is the specific PA dedicated to supporting the Programme smooth implementation, in the value of 12,1 Mio EUR (ERDF).



The amounts indicated in the table are referring to the ERDF values per each of the PAs.

2019 MAIN ACTIVITIES

The main activities in the above indicated year concerned:

- **PROJECTS IMPLEMENTATION & LAUNCH OF A NEW SET OF CALLS FOR PROPOSALS**

The Programme supports projects that bring together cross border partnerships (involving at least 1 partner from each Member State) which have a clear focus on the implementation of **joint Cross Border actions**, demonstrate the **added value** of the territorial cooperation and follow a **result-oriented approach**, putting emphasis on the development of **concrete, measurable and visible** outputs and results.

The Programme prioritizes operations which are complementary with the EU Strategy for the Adriatic and Ionian Region Strategy (**EUSAIR**), envisaging the following types of projects:

- **Standard+ projects:** operations stemming from existing cooperation potentials of the area capitalising the achievements of 2007 – 2013 ETC Programmes in which Italian and Croatian partners already worked together (Adriatic IPA CBC, SEE and MED);
- **Standard projects:** operations implemented in a bottom up approach under all Priority Axes through the launch of open calls;
- **Strategic projects:** operations identified and selected through an institutional **top-down approach**, based on the principle of **wide-area partnerships** (i.e. each project include more beneficiaries and cover a larger number of eligible territories), counting on a **relevant financial amount** and requiring specific and increased **institutional technical competences**.

In 2019 was recorded an advanced progress in terms of project implementation, as shown in more detail below for each type of projects.

“Standard+” Projects

In the second part of 2019, all 22 Standard+ Projects closed their implementation, through the organisation of their closing events and the submission of their final progress reports. Recording significant achievements in terms of project results and outputs, the Lead Partners (LPs) and Project Partners (PPs) reported in 2019 more than **11,3 Mio EUR** (ERDF + National Co-financing), reaching the total of 13,3 Mio EUR including the expenditure reported in 2018.

“Standard” Projects

In addition to the 3 projects already started in 2018, other 47 projects began their activity in 2019 for a total of **50 Standard projects**. In order to launch the project activities, the LPs signed the Subsidy Contracts with the Managing Authority and the Partnership Agreements with the consortium partners and applied for the advance payments. At the end of 2019, Standard Projects reported **5,7 Mio EUR** (ERDF + National Co-financing) recording a good progress of project activities.

"Strategic" Projects

A specific working group appointed by the Monitoring Committee (MC), after an intensive and fruitful process, identified the **11 Strategic Themes** relevant for achieving goals and objectives of the Programme (Blue technology, Climate change adaptation, Flood risk, Oils spills and other marine hazards, fire and

earthquake, Coastal and inland tourism, Marine environment, Fisheries and aquaculture, Marine Litter, Marine Transport, Mobility of Passengers and nautical services). So, in Autumn 2019, the Managing Authority officially launched the set of Calls for project proposals dedicated to the Strategic Projects, allocating **69,71 Mio EUR** to finance projects within the aforementioned 11 Strategic Themes and covering all 4 Programme Priority Axis. After the selection procedure, the final allocation dedicated to selected projects was **81 Mio EUR** (ERDF + national co-financing).

➤ PROGRAMME MANAGING STRUCTURES

2019 has been characterised by a high staff turnover but, also, by the acquisition of significant new skills, dedicated, for example, to the monitoring system in order to assist beneficiaries during the application and reporting phases and the Managing Authority in the whole Programme implementation.

➤ AUDIT ACTIVITY

The Programme implementation is constantly monitored by external independent controls (audits) that periodically carry out checks on a sample basis, aimed at verifying the regularity and legality of the administrative management. In April 2019 the body in charge of the Audit Authority tasks – regional agency AVEPA - was replaced by the Veneto Regional Authority (Dept. Control System and inspection activities). In 2019 **3 audits** (1 Thematic and 2 System audits) have been concluded.

Furthermore, in 2019 the first **Operation Audits** have been started, involving 23 partners for a total expenditure controlled of € 2.924.878,77.

➤ MONITORING AND MANAGEMENT SYSTEM (SIU)

The Monitoring and Management System (SIU) compiles all relevant information about the Programme and projects implementation. The system can be accessed by different users for relevant roles and tasks (beneficiaries, controllers, MA, JS...) and all project handling (e.g. project application, reporting, changes, first level control documents...) take place through the online monitoring system; in this sense, the System fully supports the vast majority of Programme operations and activities, tracking the different information flows. In 2019 the SIU System improved its performance adding new features for supporting beneficiaries (i.e. Major and Minor Change module, arrangement of the existing data collection modules, Exchange information and Monitoring Protocol with the State Accounting Department of Economic and Finance Ministry). The correct information flow related to project management was ensured, also solving some technical issues.

➤ COMMUNICATION ACTIVITY

In 2019 the Programme worked to deliver the new website and the project sections for all 72 approved projects, as well as the user manuals for the web-content managers in charge for the content curation. Editing of n. 600 partners' contents on the website and projects' map interactive section with geo-reference was ensured. **N. 50 Standard projects' communication kit** graphical layout was delivered. Dedicated Strategic call

for proposals section was set out on the website with the aim to provide all relevant information procedures for the project generation, submission and implementation. **N. 1 Programme video-portrait** was produced in house and **n. 2.500 of the Programme new version brochure** printed for dissemination during the project events. For the **DG REGIO Campaign "Regiostars 2019"** the project AdriaMORE candidature was endorsed. **N. 1 quiz of knowledge** has been launched and tested for the assistance of the beneficiaries of the approved Standard projects. **N. 1 Guidelines for the "European" Communication** were elaborated containing useful indications and guiding principles for a correct and effective communication of the EU funds, Programmes and projects. **N. 2 earned articles** on the Programme were published in "Nuova Venezia". Several online portals dedicated articles related to the Programme initiative held during the 76th Cinema Festival in Lido. The Programme dedicated own active participation to the public events co-organized with the approved projects, National Authorities, EU Commission and other European Territorial Cooperation Programmes:

- Biennale Initiative 2019 "**The cultural and communicative dimension of the European cooperation programmes: Interreg Italy-Croatia**"
- **European Maritime Day in Lisbon (Portugal)** in May
- **European Cooperation Day in Venice** in September.

The Programme staff performed the following trainings and infodays:

- **n. 2 Seminar for Standard LPs** held in April & May
- **n. 1 Seminar for Standard projects' Italian FLC**
- **n. 2 Seminars for the expenditure's eligibility**
- **n. 2 Infodays** for potential beneficiaries of the Strategic Call for proposal

➤ **TECHNICAL ASSISTANCE BUDGET AND ADMINISTRATIVE PROCEDURES**

Technical assistance (TA) concerns financial support to be used in order to support a sound Programme management and effective communication. In 2019 TA activities were carried out according to the agreed plans. One Monitoring Committee meeting was held in Pula in June and seven written procedures were launched and closed. The Programme bodies implemented their activities according to their respective roles and work plans. At the end of 2019 the TA projects reported more than **4,6 Mio EUR** (ERDF + National Co-financing).

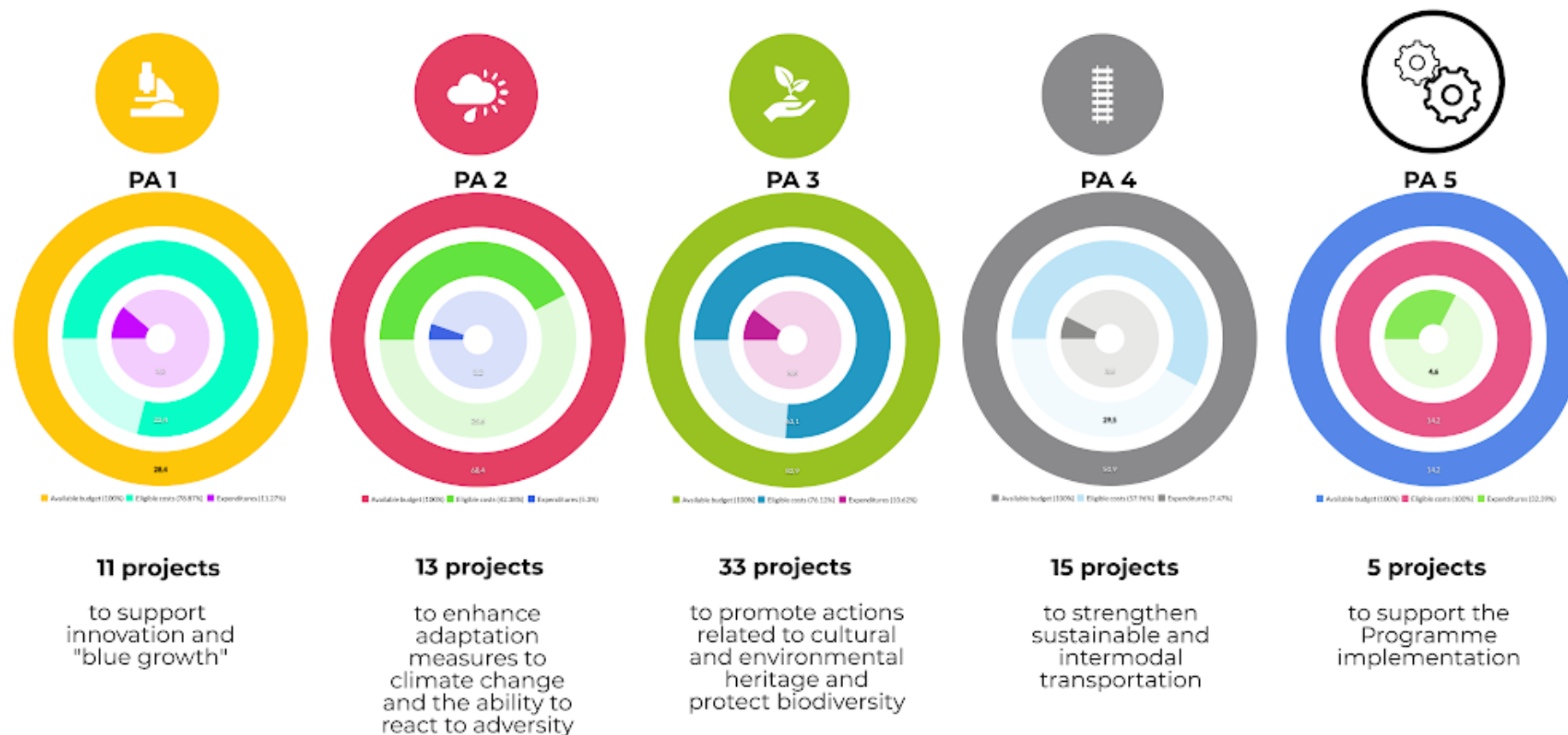
WHAT ABOUT SPENDING?

In 2019 the Programme has been fully operational and all projects spent an overall amount of **23,6 Mio EUR**, distributed per each Priority Axis (PA), as follows:

- **PA1 Blue innovation:** 11 projects funded by the Programme carried out their activities, fostering innovation and blue growth and reporting a total amount of 3,2 Mio EUR;
- **PA2 Safety and resilience:** **13 projects** funded by the Programme carried out their activities, enhancing climate change adaptation measures and the ability to respond to adversity, reporting a total amount of 3,2 Mio EUR;
- **PA3 Environmental and cultural heritage:** **33 projects** funded by the Programme carried out their activities for conserving, protecting, promoting and developing natural and cultural projects, reporting a total amount of 8,8 Mio EUR;
- **PA4 Maritime Transport:** **15 projects** funded by the Programme carried out their activities, developing and improving environmentally-friendly and low-carbon transport systems, reporting a total amount of 3,8 Mio EUR;
- **PA5 Technical Assistance:** **5 TA projects** funded by the Programme, which support the Programme implementation and report a total amount of 4,6 Mio EUR.

At the end of 2019 the amount reported to the European Commission was **19,4 Mio EUR** of European Regional Development Fund (ERDF), thus reaching the spending target, called N+3, equal to 18,7 Mio EUR ERDF for the year 2019. The total available budget, the amount allocated to the projects and the amounts reported by the partners for "Standard+", "Standard" and TA projects are shown on the following infographics. The remaining available budget has been allocated for the Strategic calls launched in 2019.

AVAILABLE BUDGET - ELIGIBLE COSTS - EXPENDITURES PER EACH PRIORITY AXIS IN MIO € OF ERDF + NATIONAL CO-FINANCING*



Source: AIR 2019, Table 4 (Available budget: "Total funding available at priority axis"; Eligible costs: "Total eligible cost of operations selected for support"; Expenditures: "Total eligible expenditure declared by beneficiaries to the MA")

WHAT HAS THE PROGRAMME REACHED?

The **Output indicators** relate to the specific deliverables of the intervention. They measure what is produced or bought by the Programme expenditure and investments through the projects. They are measured at project level and then aggregated at Programme level. The following infographic shows where we are in terms of Programme implementation per each Priority Axis, thanks to the activities made by financed projects:

KEY OUTPUTS PER EACH PRIORITY AXIS*

*at 31st December 2019



WHAT ABOUT THE RESULT INDICATORS?

The implementation of the Cross Border Cooperation Programme Italy-Croatia, starts from its strategic thematic objective, which, through concrete actions, aims at reaching the result indicators. The **result indicators** are quantitative or qualitative variables that provide simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess performance, so they are quantitatively measurable, coherent with the objective of the Programme and representative of the whole Programme Area. These indicators of course depend on multiple variables, but the Italy- Croatia Programme seeks to have an impact on them.

In particular, the **number of European Patent Office (EPO) applications** is the indicator linked to the objective of “Enhance the framework conditions for innovation in the relevant sectors of the blue economy”. The value of **997** EPO applications registered in 2019, as the average of the period 2012-2017, is very encouraging when compared with the baseline value of 673 EPO applications.





The **actions and the activities dedicated to plan adaptation measures and risk management measures** translate quantitatively in the number of inhabitants who benefit from these initiatives. The value of **12 million inhabitants** who benefit from planning adaptation measures and the value of **11,7 million inhabitants** who benefit from **risk management coordinated measures** registered in 2019 are very positive data related to the baselines of 7 million for the first indicator and of 8,4 million for the second one (*baseline 2016*).

The **impact of the Programme on tourism** is evaluated on the analysis of the seasonality registered along the Programme area: a low seasonality, which it is measured using the Gini index, indicates a homogeneous distribution during the year, which shows a good value equal to 0,60 and in 2019 it's improving related to the previous years (values close to 1 indicate high seasonality).

The **importance of the environmental issue** for the Programme is highlighted by the indicators that quantify, on the one hand, the number of **habitat sites and species with an excellent conservation status** and, on the other, the **quality of bathing water**. In the Programme area there are 1.092 type of habitats and 2.484 species for a total of 3.756, registering an increase from the already high value of the baseline 2014; also the score concerning the quality of water is very high and it is still growing, considering that in 2019 a value of 2,91 is recorded (the maximum possible value is 3).

The last result indicator quantitatively represents the Priority Axis dedicated to **maritime transport** calculating the tons of goods transported between the two countries through the Adriatic Sea. During the period 2016-2018, an average of 2.412 tons of goods was recorded, showing a slight drop compared to the baseline.

The following table/infographics summarises these figures:

 RESULT INDICATOR	 BASELINE VALUE (2016)	 TARGET VALUE (2023)	 TOTAL (2019)
Number of EPO applications	673.28	680	997
Inhabitants benefiting from planning of adaptation measures	7,05 Mio	8 Mio	12,23 Mio
Inhabitants benefiting from risk management coordinated measures	8,36 Mio	9 Mio	11,72 Mio
Seasonality in tourism in the programme area	0,62	0,62	0,60
Excellent conservation status of habitat types and species of Natura 2000 sites in the programme area	3538	3550	3576
Quality level of coastal bathing waters (according to the dir. 2006/7/CE)	2.87	2.87	2.91
Goods transported by maritime mode	2445 Mio Tons	2690 Mio Tons	2412 Mio Tons

WHERE TO FIND AND CONTACT US?

