

Annual Implementation Report 2020 CITIZENS' SUMMARY

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

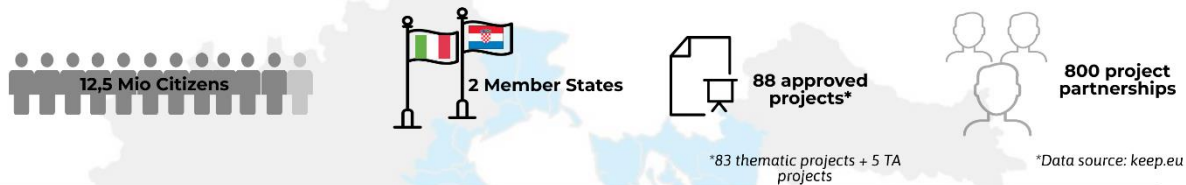
06.05.2020

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 2020.

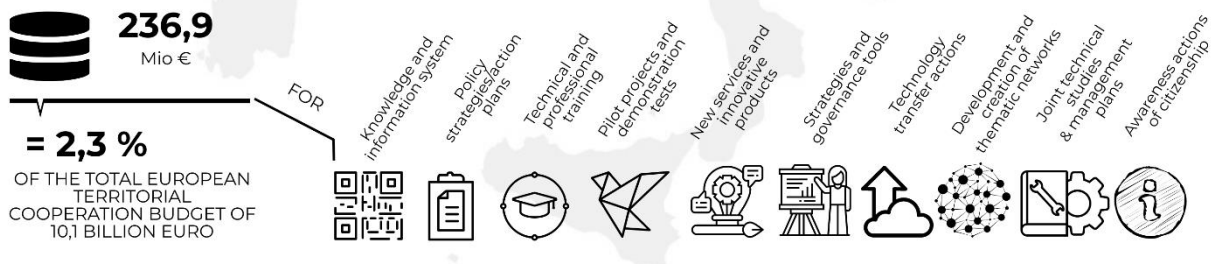
PROGRAMME IN NUMBERS



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 allocation amounts to **201,4 Mio EUR** of European Regional Development Fund (ERDF) and, with a total of **236,9 Mio EUR** (ERDF + National Co-financing), financed the following **4 Priority Axes (PAs)**, 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.

2020 MAIN ACTIVITIES

The main activities in 2020 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 in the 2007 – 2013 programming period (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**.

The year 2020 has seen the implementation of 50 standard projects (+5 Technical Assistance projects), the quality assessment and finalization of the Strategic call, and the launch of 11 strategic projects. The Programme bodies ensured information and assistance to beneficiaries and kept the management and control system running smoothly. In 2020 the Programme succeeded in achieving the N+3 target and launched the necessary activities to design the next programme 2021-2027. Moreover, many of the Joint Secretariat vacancies have been filled up. All of this confirms that the Programme is on a solid path even though the COVID-19 health emergency hit both the Programme and projects hard.

➤ “Standard” Projects

50 projects were in implementation in 2020, 48 projects submitted the Progress Report 2 and 3 via SIU system. 2 projects (E-chain and Underwatermuse) submitted PR 1 and 2. A total of **36.466.895,28 Euro (ERDF + National Co-financing)**, validated by the First Level Controllers, was included in the Declaration of expenditure. A continuous assistance by the Managing Authority and the Joint Secretariat staff was ensured to the beneficiaries dealing with the SIU reporting module.

➤ “Strategic” projects

As a result of the quality assessment, 11 applications of which 4 with Croatian Lead Partner and 7 with Italian LP (out of 13 submitted) were approved by the Monitoring Committee via Written Procedure (WP) n. 4/2020 (in April) and n.6/2020 (in June). After the condition clearing phase set by the Monitoring Committee, the LPs signed the Subsidy Contracts with the MA and the Partnership Agreements with the consortium partners; 2 LP web-Seminars were organized on line in September to provide beneficiaries with all the necessary explanations for reporting PR1. JS participated to 11 Strategic Kick off Events. The

first reporting period (January-June) was exceptionally extended to August to allow all projects to prepare and submit their reports.

➤ **AUDIT ACTIVITY**

1 System Audit with Certification Authority ex art 127 Reg. 1303/13 has been carried out and concluded in July. As regards Operations Audits (accounting year 2019-2020) the AA extracted a first sample of 24 partners (total audited: € 2.356.964,97): 13 Italians (audited € 451.708,31); 10 Croatians (audited € 554.518,72); 1 TA Italian project, (audited € 1.350.737,94). The AA extracted a second sample of 8 partners (total audited: € 511.115,55): 4 Italians (audited € 292.128,88) and 4 Croatians (audited € 218.986,67). All Audits on operations were concluded in February 2021. The programme was also targeted for a management audit by the European Court of Auditors announced in Dec 2019: "Are the Commission and Member States effectively addressing the challenges faced by cross-border regions in internal cross-border cooperation programmes?" - Audit Task No 19CH2009. This management audit was concluded in 2021.

➤ **MONITORING AND MANAGEMENT SYSTEM (SIU)**

In 2020 the improvement in the performance of the SIU compared to previous years continued, ensuring day-by-day assistance to beneficiaries. The major change submission module was updated; the "Keep.eu" database data exchange activated; updates have been also performed in the assessment module with notebook function. Automatic mail in PR module during status change among Partner FLC and LP has been activated; irregularities control module by Audit Authority and FLC automatic report for validation expenditures have been activated.

➤ **COMMUNICATION ACTIVITY**

The JS performed a check on 22 Standard+ project final deliverables on project Website, as well as the documents' final editing. N. 1 article was published in the Italian national newspaper annex "Guida alle Regioni". 4 Project thematic publications on energy sustainability, inclusive and immersive museums, environment and habitat protection. 11 Strategic websites delivered to be populated with content and 200 Project Partners' logos & descriptions, uploaded. Preparation of the Digital strategy and operational management plan. Digital communication: constant update and web-listening by means of the website of the Programme and social media (Twitter launched). Communication campaigns "RegioStars2020": n. 4 Projects prepared and endorsed running for the finals. "Interreg Slam": n. 8 projects candidates and "ML-

REPAIR" project video-story is candidate among 30 best ETC projects and won special mention. "Keep.eu" website: completed with the data of all the projects.

➤ **TECHNICAL ASSISTANCE BUDGET AND ADMINISTRATIVE PROCEDURES**

The TA activities were carried out according to the agreed plans. 2 MC meeting was held: one in Venice in February and one in September (web-conference). 9 WPs were launched and closed. The Programme bodies implemented their activities according to their respective roles and work plans. As for TA projects, 1 reallocation of TA budget between Croatian projects and 1 major change involving Audit Authority project; 5 TA PRs and 5 Applications for Reimbursement were submitted and managed. For the TA, a total of 5.436.317,21 Euro was certified to EC.

➤ **NEW PROGRAMMING 2021-2027**

The activities for the new programming period 2021-2027 have started, with two meetings of the Working Group on the new programming and the establishment of the Task Force. The 1st Task Force meeting took place in December with the approval of a road map and the decisions to start the procedures for the contracting of a drafter.

➤ **PROGRAMME BODIES**

A reinforcement of the MA structure continued in 2020 with new staff acquired (1 person assigned to the Financial unit). In March, the JS Financial Manager resigned and a Legal Expert was allocated to support the JS workload. The procedure to replace missing JS staff was finalized and 4 persons (Financial Manager, Administrative Assistant and 2 Project Managers were contracted). An external expert for the assessment of State aid aspect of Strategic call was contracted in March. November was marked by the replacement of the Head of MA.

➤ **FINANCIAL TARGET 2020**

The 2020 target was the highest in numerical terms so far (50.515.404,76 euro). The MA/JS, aware of the difficulties encountered in the previous years, arranged in due time to coordinate with the Croatian FLC in order to minimize the delays in certification by assigning priorities for projects to Croatian FLC. To facilitate the process, the MA introduced a certain flexibility in the set deadlines for reporting. The MA constantly kept the MC informed on the progress of the financial reporting. The constant monitoring of the reporting process and the coordination with Croatian FLC, made it possible to cope with the objective, reaching a certification of euro 33.169.123,87 for year 2020. This amount combined with previous certifications ensured that the target was successfully met (total certification: 52.602.504,30 euro). It is worth adding that this result was achieved despite the physiological reduction in activities and therefore in expenditure due to the COVID-19 emergency that affected the Programme from March to December.

WHAT ABOUT SPENDING?

Overall, beneficiaries declared a total eligible cumulative expenditure to the managing authority equal to **63,06 Mio EUR**, distributed per each Priority Axis (PA), as follows:

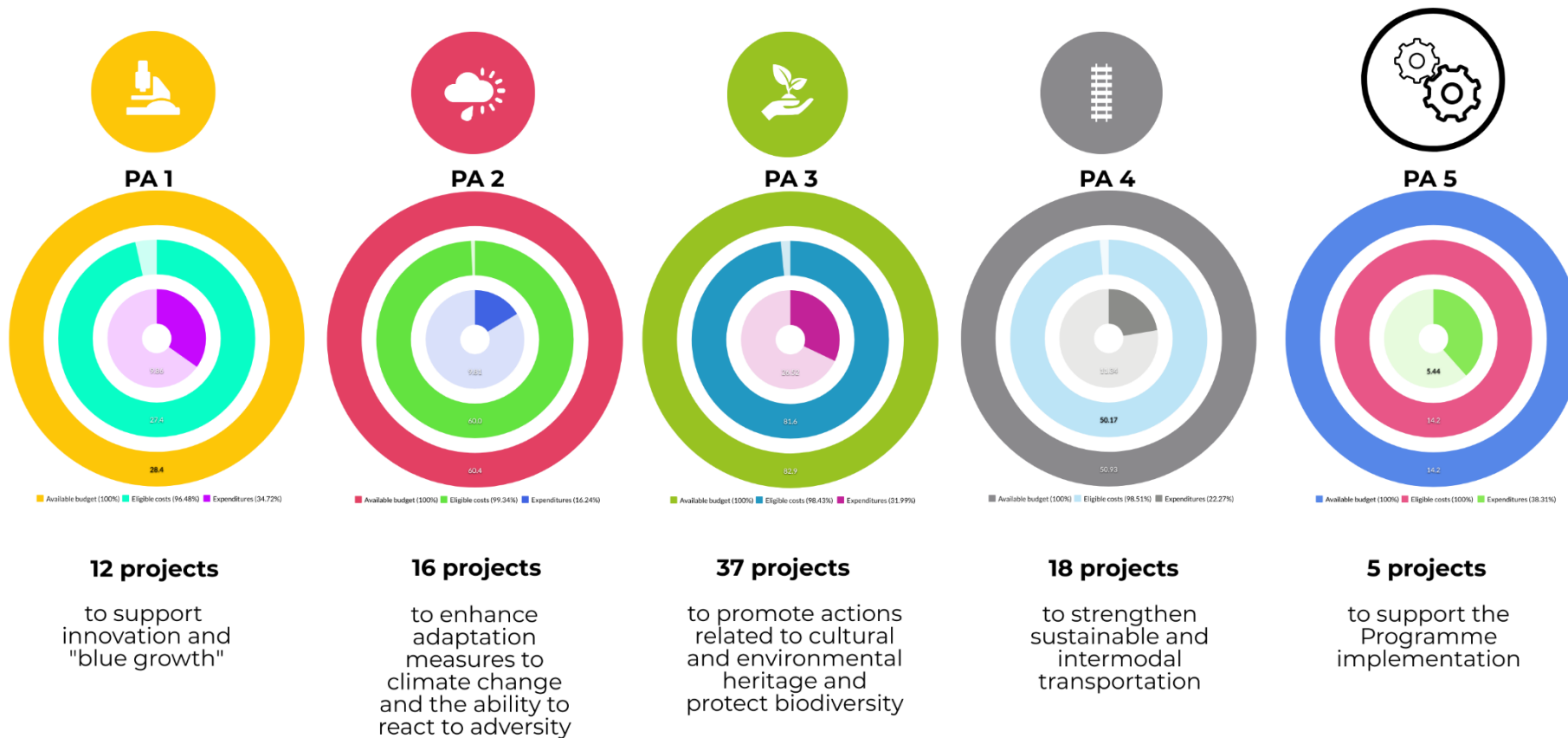
- **PA1 Blue innovation: 12 projects** funded by the Programme carried out their activities, fostering innovation and blue growth, for a total amount of 9,86 Mio EUR;
- **PA2 Safety and resilience: 16 projects** funded by the Programme carried out their activities, enhancing climate change adaptation measures and the ability to respond to adversity, for a total amount of 9,88 Mio EUR;
- **PA3 Environmental and cultural heritage: 37 projects** funded by the Programme carried out their activities for conserving, protecting, promoting and developing natural and cultural projects, for a total amount of 26,52 Mio EUR;
- **PA4 Maritime Transport: 18 projects** funded by the Programme carried out their activities, developing and improving environmentally-friendly and low-carbon transport systems, for a total amount of 11,34 Mio EUR;
- **PA5 Technical Assistance: 5 TA projects** funded by the Programme, which support the Programme implementation and resulted in an eligible expenditure of 5,44 Mio EUR.

At the end of 2020 the certification reported to the European Commission was **33,1 Mio EUR of European Regional Development Fund (ERDF)**. This amount combined with previous certifications ensured that the spending target called N+3, equal to 50,5 Mio EUR ERDF was successfully met (total certification: 52.6 Mio EUR ERDF)

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.

*at 31st December 2020
Data source: AIR 2020, Table 4 - 3.4
Financial data

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



WHAT HAS THE PROGRAMME REACHED?

The **Output indicators** relate to the specific deliverables of the intervention. They measure what is produced or delivered 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:

KEY OUTPUTS PER EACH PRIORITY AXIS*

*at 31st December 2020
Data source: AIR 2020,
Table 2: Common and programme specific
output indicators - PA 1.1b; PA 2.5a/b; PA
3.6c; d/f; PA 4.7c



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 2020, 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 **12,23 million inhabitants** who benefit from planning adaptation measures and the value of **11,72** million inhabitants who benefit from **risk management coordinated measures** registered in 2020 are very positive data related to the baselines of 7,05 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 0,72 in 2020 (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 3.576, 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 2020 a value of 2,93 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 2020, an average of 2.306 tons of goods was recorded, showing a slight drop compared to the baseline.

The following table/infographics summarizes these figures:

*at 31st December 2020
Data source: AIR 2020,

Table 1: Result indicators - PA 1.1b.1.1; PA 2.5a.2.1; PA 2.5b.2.2; PA 3.6c.3.1; PA 3.6d.3.2; PA 3.6f.3.3; PA 4.7c.4.1

KEY RESULTS PER EACH PRIORITY AXIS*

 RESULT INDICATOR	 BASELINE VALUE (2016)	 TARGET VALUE (2023)	 TOTAL (2020)
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	0,72
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	2.93
Goods transported by maritime mode	2445 Thousand Tons	2690 Thousand Tons	2306 Thousand Tons



WHERE TO FIND AND CONTACT US?

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