

Ex-ante evaluation for
Interreg IPA CBC Programme Croatia – Serbia 2014-2020

EX-ANTE EVALUATION REPORT (Final)

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LIST OF ABBREVIATIONS

CBC	Cross Border Cooperation
DG	Directorate-General
EC	The European Commission
EU	European Union
IPA	Instrument for Pre-Accession Assistance
MENP	Ministry of Environmental and Nature Protection
MIS	Monitoring Information System
MRDEUF	Ministry of Regional Development and EU Funds
OP	Operational Programme
PA	Priority Axis
PD	Project Director
PIU	Project Implementation Unit
PSC	Project Steering Committee
SEA	Strategic Environmental Assessment
SF	Structural Funds
TAT	Technical Assistance Team
TP	Technical Proposal

EXECUTIVE SUMMARY

This report contains the final evaluation of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia 2014-2020. The report is based on the final programme document of 8.05.2015 as well as earlier programme drafts and programme meetings. The Strategic Environmental Assessment (SEA) has been carried out by a team of environmental experts under the same contract. The SEA has been closely coordinated with the ex-ante evaluation.

The ex-ante evaluation of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia 2014-2020 combined various methods and techniques which are mainly relating to theory-based evaluation and especially to Programme Theory.

The entire ex-ante evaluation process was interactive and iterative. The independent evaluators worked closely with a number of structures and key actors that were directly involved in the elaboration of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia. In general, the different main elements of the programme were elaborated successively which permitted the evaluators to appraise new contents stepwise and also to formulate related recommendations for further improvements. These recommendations were presented to and discussed by the Programming Committee and nearby all of them were also considered during the next steps of the programming process.

The programme strategy

The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia is supported by a very extensive and appropriate territorial situation analysis for the entire cooperation area, bearing in mind the limited space available for this description in the Programme template and the large area that needs to be covered. This situation analysis was elaborated on ground of an “initial scoping of needs and challenges”, which was carried out during the programme preparation phase and also assessed by the ex-ante evaluation. The specific objectives Interreg IPA Crossborder Cooperation Programme Croatia – Serbia are consistent because they well reflect the regional-level challenges/needs and interregional cooperation potentials which are identified in the Programme’s territorial situation analysis.

The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia shows a high degree of internal coherence. This overall conclusion is supported by the following key findings of our in-depth appraisal:

- The wider objective system of Interreg IPA Crossborder Cooperation Programme Croatia – Serbia is reasonable and also logically coherent, but obviously more differentiated than what is formally required for the period 2014-2020.
- Appraising the nature of the interdependence relations which exist between the five specific objectives of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia, widespread and positive cross- impacts and in some cases neutrality are observed but no conflict among the specific programme objectives. This means that the types of action realised under a given specific objective are most often also positively contributing to an achievement of other specific objectives. This complementarity relationship occurs equally frequently between the specific objectives of different

Priority Axes as in between the specific objectives of the same Priority Axis (only existing in the cases of Priority Axes 2).

- Finally, also a larger number of key synergy potentials within the objective system of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia were identified, analysed and validated which are also pro-actively considered by the Programme.

The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia also shows a high degree of external coherence. This overall conclusion is supported by the following key findings of our in-depth appraisal:

- The specific objectives and types of action of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia consider quite substantially several objectives, principles or actions which are promoted by a number of important European-level policy strategies and programmes (esp. Territorial Agenda of the European Union 2020, “COSME”, “Horizon 2020”, EU-level roadmap for moving to a competitive low carbon economy by 2050; EU-level roadmap to a resource efficient Europe). The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia has therefore clear potentials for making strong complementary contributions which support the realisation of those European-level policy strategies and programmes.
- The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia brings a direct contribution to the achievement of the Europe 2020 targets. The core of the Interreg IPA Crossborder Cooperation Programme’s purpose is to increase the capacities of the programme area regions in delivering better results of policies and programmes and thereby bring an important contribution by improving the effectiveness of the Europe 2020 related policies and projects. The main contribution of the specific programme objectives focuses on smart and sustainable growth, while also a considerable contribution to inclusive growth is seen. Furthermore the programme supports territorial cohesion, although at a more variable scope.
- The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia contains clear and also appropriate provisions showing how complementarity, mutual cooperation and coordination will be achieved in relation to the other EU-funded Programmes (national, regional) provided within the Partnership Agreement (Croatia) and the Indicative Country Strategy Paper of Serbia.

The intervention logic of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia is clearly articulated at the level of each Thematic Priority and also across all Thematic Priorities, which enables the Programme in principle to attain the specific objectives.

The horizontal EU-Principles referred to in Articles 7 and 8 of the CPR are similarly considered and supported in their concrete application by the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia. The principles of promoting equal opportunities between men and women (incl. an integration of the gender perspective) and of preventing discrimination are directly considered by most of the specific programme objectives and are also pro-actively supported in their concrete application by the related types of action. This, however, can be justified by the particular thematic focus of these specific programme objectives. The sustainable development principle, on the contrary, is extensively considered by the specific objectives of Priority Axis 2 and the related types of action can make a very strong direct contribution to actively promoting

particular aspects which are related to this principle (esp. environmental protection requirements, resource efficiency, and climate change mitigation).

Indicator system and arrangements for monitoring and evaluation

The output indicators are relevant and only minor issues for improvement were discussed. Likewise the target values are sensible and the arrangements for monitoring appropriate.

The result indicators are for the most part defined and coherent with regard to the specific objectives, but they need to be more focussed on the Programme. Quantified baselines for the result indicators are indicated in the Programme.. The target values set for result indicators tend to be generally appropriate though understandably not very ambitious given the amount of funding available.

The monitoring provisions seem sensible and likely to provide the necessary support to the decision-making and evaluation of the programme. Nevertheless, some more details on administrative and financial matters relating to data collection and monitoring could have been further elaborated in the Programme. However, this is explained in details within Annex 19 to the Cooperation Programme.

Financial allocations of the Programme

The ETC-Regulation does require crossborder cooperation programmes to limit the number of thematic objectives to be selected, and the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia deliberately adopted a concentration on four thematic priorities (TP 1, TP 2, TP 4, TP 7) which also implies that the bulk of the total ERDF funding available to the Programme (94%) is allocated to these objectives.

The present distribution of the financial resources among the four thematic priorities and corresponding Priority Axes of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia is adequate: it reflects not only the high weight given to the challenges/needs and targets of the Europe 2020 fields of action “Innovation”, “Competitiveness”, “Energy Efficiency” and “Combating Climate Change”, but also the high level of consideration of these fields of action by the specific programme objectives and the related types of action.

Programme implementation structures & partnership

The description of the management and control system of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia fulfils to a large extent the content-related expectations which were set out by the European Commission in the commented “Model for the Operational Programme under the ETC-goal” and therefore fully complies with the requirements of Article 8 (4) (a) and (b) of the ETC-Regulation. Also, a review of the experiences in the period 2007-2013 shows that some critical features characterising the management, implementation and decision-making system of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia continue to be of relevance during the new funding period 2014-2020. The partnership arrangements adopted during the preparation of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia and also for the future implementation of the Programme fulfil the qualitative requirements as set out by the “European Code of Conduct on Partnership”.

A summary assessment per Ex ante evaluation requirements (Art. 55 of Reg. 1303/2013) is presented below:

Ex ante evaluation requirements (Art. 55 of Reg. 1303/2013)	Summary assessment
(a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs and potential for development as well as lessons drawn from previous programming periods;	<p>The Interreg IPA CBC HR-RS 2014-2020 includes a range of interventions that are robustly grounded in the needs of NUTS III regions in the cross border territory of the Croatian – Serbian border. The programme strategy is informed by a wide ranging evidence base, but less so on lessons learnt from previous programming periods.</p> <p>The Interreg IPA CBC HR-RS 2014-2020 seems well placed to make an impact on the programme area and has the potential to contribute to the Union Strategy for smart, sustainable and inclusive growth – particularly to the sustainable and inclusive growth and to a lesser extent to the targets relating to smart growth targets.</p>
(b) the internal coherence of the proposed programme or activity and its relationship with other relevant instruments;	<p>The priorities and specific objectives are coherent and complementary and should work well together in supporting the proposed interventions. The Interreg IPA CBC HR-RS 2014-2020 fits well within, and contributes to, the existing policy framework both at European Level and respective National Level.</p>
(c) the consistency of the allocation of budgetary resources with the objectives of the programme;	<p>The balance of financial allocations across the programme priorities is fair and well informed and consistent with the programme strategy. It also complies with regulatory requirements and concentrations.</p>
(d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programme with the CSF, the Partnership Agreement and the relevant country specific recommendations adopted in accordance with Article 121(2) TFEU and where appropriate at national level, the National Reform Programme;	<ul style="list-style-type: none"> • There is a <i>relatively</i> high level of consistency between the selected thematic objectives, priorities and objectives. • The priorities have a firm basis in the needs of the programme area – drawing on the strengths and weaknesses and targeting key challenges facing the region; • The priorities and specific objectives are consistent with and fit within relevant thematic objectives and investment priorities but are appropriately tailored to the specific needs of the programme area; • The priorities and specific objectives are coherent and complementary and should work well together in supporting the proposed interventions; and • The actions proposed in the programme are appropriate and suitably reflect the intentions under the development needs, the Investment Priority, Specific Objective.
(e) the relevance and clarity of the proposed programme indicators;	<ul style="list-style-type: none"> • Result Indicators appear relevant, clear and linked to the achievement of the specific objectives • All the indicators have been developed in co-ordination with the Implementing Bodies responsible for their recording and collection. • The programme developers <i>are advised to establish</i> a robust system for monitoring and collection of data with Administration Agreements to be put in place to cover the timely collection and monitoring of all programme performance data.
(f) how the expected outputs will contribute to results;	<ul style="list-style-type: none"> • The Intervention Logic developed for the Interreg IPA CBC HR-RS 2014-2020 is sound and well-reasoned and the logic between the various stages is robust. • Thus outputs which are <i>satisfactorily</i> linked to the actions of the programme will contribute to achievement of results • Output Indicators are <i>increasingly</i> linked to the actions of the programme.

Ex ante evaluation requirements (Art. 55 of Reg. 1303/2013)	Summary assessment
(g) whether the quantified target values for indicators are realistic, having regard to the support envisaged from the ESI Funds;	All indicators have been developed in co-ordination with the Implementing Bodies responsible for their recording and collection. Target values have been informed by this process and therefore are grounded in past experience and stakeholder input.
(h) the rationale for the form of support proposed;	<p>There is a strong rationale for the forms of support proposed, taking into account</p> <ul style="list-style-type: none"> • Appropriateness to Specific Objectives of the Programme • Appropriateness to types of beneficiaries, etc. • Appropriateness of form of support to address the failure Identified • Absorption capacity
(i) the adequacy of human resources and administrative capacity for management of the programme;	<ul style="list-style-type: none"> • The Programme Developers are taking steps to ensure that the mechanisms are in place to ensure that all aspects of programme implementation (including monitoring and evaluation) are managed effectively and efficiently.
(j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;	<ul style="list-style-type: none"> • All of the Implementing Bodies have considerable experience in delivering these types of schemes and also have robust systems in place. • Where there is need for further training on these areas, resources have been put in place to ensure that training can be provided.
(k) the suitability of the milestones selected for the performance framework;	Not applicable section.
(l) the adequacy of planned measures to promote equal opportunities between men and women and to prevent any discrimination, in particular as regards accessibility for persons with disabilities;	<p>Programme developers have given due consideration to integrating Horizontal Principles. The programme includes actions that go beyond the regulatory requirements for Horizontal Principles and that demonstrate a realistic and pragmatic approach to integrating Horizontal Principles - taking on board lessons from previous programming periods. The programme includes specific actions to promote and monitor equal opportunities between men and women and to prevent discrimination.</p>
(m) the adequacy of planned measures to promote sustainable development;	The programme includes specific actions to promote and monitor sustainable development.
(n) measures planned to reduce the administrative burden on beneficiaries.	<p>The Programme addresses the reduction of administrative burden for beneficiaries through a number of specific measures to support managing and implementing the programme effectively and efficiently included in the Technical Assistance Priority Axis (SO 5.1). The programme developers need to also take cognizance of the Commission's Proposals for the Harmonisation and Simplification of CSF Programmes.</p>

EX ANTE EVALUATION APPRAISES

This report contains the final evaluation of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia 2014-2020. The report is based on the final programme document of 8.05.2015 as well as earlier programme drafts and programme meetings. The ex-ante evaluation process has been characterised by an iterative process between commentary and programme drafts as well as workshops and meetings with the programmers. The evaluation criteria and the methods are based on the ex-ante evaluation guidelines of the EU Commissioner as well as the relevant regulations.

The Strategic Environmental Assessment (SEA) has been carried out by a team of environmental experts under the same contract. The SEA has been closely coordinated with the ex-ante evaluation.

The structure of the Evaluation Report has been revised to fulfil all the requirements of Article 55 of Regulation 1303/2013 of the European Parliament and of the Council.

(a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs and potential for development as well as lessons drawn from previous programming periods;

The ESI-Funds Regulations for the period 2014-2020 do no longer require programmes to include a full socio-economic analysis. According to Article 8 (2) (a) of the ETC-Regulation, however, a cooperation programme shall set out (...) a justification for the choice of thematic objectives, corresponding investment priorities and financial allocations, having regard to the Common Strategic Framework (...), based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, (...), taking into account the results of the ex-ante evaluation (...). Due to this, our appraisal has focused on the following three main evaluation questions:

- Whether the programme strategy reflects the development needs and challenges. An important part of this assessment is assessment of the SWOT and whether it covers the key needs and challenges of the region.
- Whether the needs and challenges are reflected in the objectives by looking at the linkages between the needs and challenges of the selected thematic priorities and the stated objectives.
- Whether the specific objectives sufficiently precise to demonstrate how the programme can contribute to the Europe 2020 Strategy while addressing the EU-wide challenges/needs in practice?

In each of the three sections the presentation is structured as follows: , assessment of the current programme document and review of text amendments in response to EU COM observations to previous versions of the CP. This section discusses some overall issues on how challenges and needs are identified, justified and prioritized. From our appraisal it appears that a very concise but appropriate territorial situation analysis is carried out for the cooperation area in Sub-section 1.1 of the programme document, which summarises well the more extensive scoping of needs and challenges that was realised during the preparation phase. The territorial situation analysis identifies, for each of the three main priorities of the Europe 2020 Strategy (i.e. smart,

sustainable and inclusive growth), a number of regional-level challenges and needs as well as related potentials for future crossborder cooperation. The text has been amended by making direct references to the Water Framework Directive (WFD) and Flood Directive, the Urban Waste Water Treatment Directive (UWWTD) and the Sava and Danube River Basin Management Plan (SRBMP), incorporating observations received by the EU COM. Similarly, further references to the smart specialisation strategies of each country have been inserted.

The challenges/needs and crossborder cooperation potentials identified in this situation analysis address to variable extents the nine fields of action of the Europe 2020 Strategy: the weight given to the EU-wide challenges/needs and targets of six fields of action is either high (“Innovation”, “Competitiveness”, “Combating climate change”, “Clean and efficient energy”) or medium (“Education, training and lifelong learning”, “Skills”), whereas the EU-wide challenges/needs and targets of the three remaining fields of action (“Fighting Poverty”, “Employment”, “Digital Society”) are given medium-low weight in the programmes’ situation analysis.

We consider this deliberate focus on some Europe 2020 fields of action as being adequate, especially if one takes into account the specific geographical coverage of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia 2014-2020 and its combination of “hard” with “soft” measures (i.e. supporting infrastructure improvements with trainings, exchange of experience and a transfer of good practices).

The situation analysis and related SWOT are both based on information from well-documented sources and the analysis and conclusions regarding the programme area's needs and challenges appear multi-faceted and inclusive. It is the assessment that the CP reflects relevant groups in a transnational programme and the needs of these stakeholders. The cooperation programme lists the relevant target groups for each priority. This is also reflected in the needs assessment/SWOT although the SWOT is at a more general level.

In the initial review in July 2014 as well as later reviews, the assessment asked for a more stringent presentation of the contents of the SWOT. The SWOT analysis is intended to be very concise and concrete, providing an overview of the most crucial and relevant points of analysis per quadrant. Particularly regarding the opportunities, the SWOT analysis needs to contain the external factors from the institutional, sociocultural, technological and market environment that seem to be important to achieving the CP's overall objectives, taking into account that important SWOT entries or items are those which produce or generate valuable strategies in the follow-up, which translates the results of the SWOT analysis into meaningful actions. In particular, the mixture of "different" types of opportunities, which made it appear more like desired outcomes than the result of a thorough analysis of external favorable conditions, was identified as problematic. Especially less local strengths and weakness and more trans-national aspects were called for. The reworked SWOT has definitely improved since the now presented strengths and weakness seem well linked to the analysis and the priorities set in the Programme. Overall, the coverage of especially the SWOT and the background chapter has been improved. Generally, the now presented weakness seem well linked to the analysis and the priorities set in the programme.

Programme Strategy and Specific Objectives

This section assesses the consistency between the strategy and programme objectives and whether this is reflected in the challenges and needs of the program area. The Ex-ante evaluator has proposed the following criteria for assessing the consistency of strategic analysis:

1. Cross-border character: assesses the degree to which cooperation is necessary to resolve important policy issues of cross-border nature (i.e. not able to be resolved unilaterally) and relevant for the CP area, or the degree to which cooperation adds significant value.
2. Continuity: assesses whether the thematic priority and its identified intervention areas capitalize on results achieved by previous programming periods.
3. Complementarity: assesses the existence of synergies and complementarities with mainstream programmes to be implemented during 2014-2020 in the CP area.
4. Relevance: it reflects the prioritization of needs and challenges in the cross-border area as portrayed in the analysis of the existing situation.
5. Demand: it reflects demand for specific interventions, as evidenced by the consultation process followed for the drafting of the programme.
6. Institutional capacity: assesses the existence of established institutional capacity in the border region to implement actions within the thematic priority, as evidenced by the consultation process followed for the drafting of the programme, data from the implementation of the current programme, specific evaluations, etc.

In the previous CP draft not all objectives were directly reflected i.e. based on/correspond to a need, problem or challenge. These were not explicitly included in the strategy description, and in some cases, also not in the SWOT. However, the programme objectives are now well aligned towards identified challenges and opportunities, as well as relevant national strategy papers. The statements concerning challenges facing the Croatia – Serbia crossborder are specific, comprehensive and in some of the sectors region-specific. Many crossborder areas in Central or Southern Europe would probably consent that these or very similar challenges are important issues to tackle, yet the level of specificity in this particular programme will sufficiently guide the selection of projects for funding.

The choice of thematic priorities was based on in-depth analysis of the needs in the crossborder region as described in the CP TP 1, TP 2, TP 4 and TP 7 were chosen as the most relevant thematic priorities to steer the programme development. Overall it is the assessment of the ex-ante evaluator that these objectives reflect the needs of the region and areas relevant for crossborder cooperation between Croatia & Serbia. It is the assessment that the selected TPs overall reflect the regional situation and needs as expressed in particular in the SWOT.

Relevance with Europe 2020 Strategy

The intervention strategy of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia consists of four thematic priorities (TPs) with each being related to one Priority Axis (PA) and of five related specific objectives (SOs). Our appraisal confirms that the five SOs are consistently reflecting the regional-level challenges/needs and crossborder cooperation potentials as identified by the territorial situation analysis. The weight given to the EU-wide challenges/needs and targets of the nine Europe 2020 fields of action in the

programmes' situation analysis is in nearly all cases reflected in a corresponding level of consideration by the specific programme objectives (see Table 1). Only for the Europe 2020 field of action "Digital Society", the medium/low weight given to the related challenges/needs and interregional cooperation potentials in the situation analysis is not reflected in a corresponding level of consideration by the SOs. This clear deviation is, however, adequately justified in the programme because the introduction of ICT is perceived as a cross-cutting theme that links in with the other thematic objectives. Due to this, development issues related to the availability of ICT-infrastructures are addressed under SO 4.1 and references on other specific ICT-development opportunities are included under the descriptions of the specific programme objectives SO 1.1 – SO 3.1.

A verification of whether the specific objectives are sufficiently precise to demonstrate how the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia can address the EU-wide challenges/needs in practice is not difficult to realise, mainly because of the particular nature of this Programme. The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia has to address the identified challenges/needs and crossborder cooperation potentials in a rather limited territorial context which will expose the Programme in practice to only moderate structural and operational diversity (i.e. specific regional-level situations/constellations as regards the general EU-wide challenges & needs identified; different regional-level policies/approaches and actors dealing with the EU-wide challenges & needs etc.). The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia does also not intend to tackle EU-wide challenges/needs directly, but to intervene "very modestly" through infrastructure improvements and "indirectly" through generating changes in topic-related policies that are induced by exchange of experience and learning processes and a transfer of good practices. Bearing this in mind, it then becomes clear why the Programme had to adopt specific objectives that are sufficiently wide in definition and broad in spectrum of activities in order to achieve its specific own contribution to the Europe 2020 Strategy.

Ex-ante evaluation for
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EX ANTE EVALUATION REPORT (Final)

Table 1. Consideration of the identified challenges & needs by the specific programme objectives

Programme Objectives		Identified & weighted regional-level challenges/needs & interregional cooperation potentials for the nine “fields of action” of the Europe 2020 Strategy								
		Smart Growth: (weight given to “fields of action” in the territorial situation analysis)			Sustainable Growth: (weight given to “fields of action” in the territorial situation analysis)			Inclusive Growth: (weight given to “fields of action” in the territorial situation analysis)		
Thematic Priority (TP) & Priority Axis (PA)	Specific Objective (SO)	Innovation (high)	Education, Training and Lifelong Learning (medium)	Digital Society (medium/low)	Competitiveness (high)	Combating Climate Change (high)	Clean & efficient energy (high)	Employment (medium/low)	Skills (medium)	Fighting Poverty (medium/low)
1. Health and Social care services	1.1. To improve the quality of facilities, services and skills in the area of public health and social care	+	++	++	0	0	0	+	++	+
2. Environment, biodiversity, risk prevention, sustainable energy and energy efficiency	2.1. To enforce integrated cross-border monitoring/management systems for key existing risks and environmental and biodiversity protection	++	++	+	+	+++	+	+	++	0
	2.2 To promote the use of sustainable energy and energy efficiency	+	++	0	+	++	+++	+	+	0
4. Tourism and Cultural and Natural Heritage	3.1. To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets	+	++	++	++	0	0	++	++	+
7. Competitiveness and business environment	4.1. To improve competitiveness of the programme area through strengthening cooperation	+++	++	+	+++	0	0	++	+	+

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Programme Objectives		Identified & weighted regional-level challenges/needs & interregional cooperation potentials for the nine “fields of action” of the Europe 2020 Strategy								
		Smart Growth: (weight given to “fields of action” in the territorial situation analysis)			Sustainable Growth: (weight given to “fields of action” in the territorial situation analysis)			Inclusive Growth: (weight given to “fields of action” in the territorial situation analysis)		
Thematic Priority (TP) & Priority Axis (PA)	Specific Objective (SO)	Innovation	Education, Training and Lifelong Learning	Digital Society	Competitiveness	Combating Climate Change	Clean & efficient energy	Employment	Skills	Fighting Poverty
		(high)	(medium)	(medium/low)	(high)	(high)	(high)	(medium/low)	(medium)	(medium/low)
development	between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patent /trademarks in the programme area									
Appraisal: +++ = Extensive and strong direct consideration ++ = Focused and strong direct consideration + = Weak direct or indirect consideration 0 = No consideration										

(b) the internal coherence of the proposed programme or activity and its relationship with other relevant instruments;

An appraisal of the internal coherence looks at the wider objective system of a programme in order to provide information on whether the different objective-levels are coherently linked to each other and on how each of the specific programme objectives contributes to the achievement of higher-ranking programme objectives or of other specific programme objectives. To achieve this, we have examined the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia strategy alongside the following two main evaluation questions:

- (1) Which interdependence relations exist between the specific objectives of each Priority Axis and between the specific objectives of the different Priority Axes?
- (2) Which potential synergies exist within the programme objective system that should be considered during the programming process or later on during the programme implementation process?

For appraising the different types of interdependence relations which can exist between the specific objectives of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia, we examined the types of action (ToA) under each specific programme objective and then made assumptions on the potential impacts they may have on the achievement of specific objectives from the same Priority Axis and from other Priority Axes. These potential impacts were also qualitatively weighted and the result of this weighting was finally included into a programme-wide matrix of cross-impacts (see Table 2).

To assess the interaction between the objectives, the ex ante evaluator uses a rating scale between -1 and 3, whereas:

- 1 means 'negative influence', 0 means 'no influence at all', 1 means 'weak influence'
2 means 'moderate influence', and 3 means 'strong influence'.

Table 2: Interdependence relations between specific objectives of the IPA Crossborder Cooperation Programme Croatia – Serbia

Specific Objectives	SO 1.1.	SO 2.1.	SO 2.2.	SO 3.1.	SO 4.1.	SUM
1.1. To improve facilities, services and skills in the area of public health and social care		1	0	1	1	3
2.1. To enforce integrated cross-border monitoring/ management systems for key existing risks and environmental and biodiversity protection	1		1	2	1	5
2.2 To promote the use of sustainable energy and energy efficiency	1	3		1	2	7
3.1. To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets	1	1	0		2	4
4.1. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patent /trademarks in the programme area	0	1	1	2		4
SUM	3	6	2	6	6	

Interdependence relations between the specific objectives from different Priority Axes are widespread and the cross-impacts are generally positive in all cases. This means that a high level of internal complementarity exists within the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia, as some insignificant neutrality was observed only for and in relation to SO 3.1. Moreover, across all Priority Axes, no conflict among specific programme objectives can be found.

This interactive synergy screening process allows identifying, analysing and validating a number of key synergies which exist within the objective system of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia. These key synergies should be attentively considered during the future implementation of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia in order to ensure the most optimal delivery of results. Thus, the final version of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia could also mention the observed project-level synergies in relation to other SOs within the relevant descriptions (i.e. under the sub-heading “Contribution to the specific objective”), and also explicitly state that in the terms of references for future regular calls also proposals also thematically cross-cutting projects having an impact on other SOs are welcomed (i.e. under the sub-heading “Guiding principles for selection of operations”).

The result of the cross-objectives analysis is also to determine the degree of influence (active) and sensitivity (passive) for each Specific Objective. The comparative assessment of these results, showing the degree of influence (horizontal score) and sensitivity (vertical score) divided through the averages of horizontal and vertical sets, allows for the classification of the stated Specific Objectives into four distinct groups:

- Influential objectives are those considered to possess a higher capacity for exerting influence on others than the average while having a degree of sensitivity below average. As such, they may be considered as the leverage points of the Programme.
- Sensitive objectives are those with an above-average degree of sensitivity paired with a below-average score of influence. Their achievement largely depends on the accomplishment of other objectives.
- Strategic objectives are those which have been assessed as above-average both in degree of influence and of sensitivity. As such, they exert a high degree of attraction, while also being themselves conditioned by the remaining objectives. They are to be considered key objectives because of their inherent potential for an elevated multiplier effect.
- Finally, located on the opposite end of the spectrum are neutral objectives considered to have a higher degree of independence (defined by below-average influence and sensitivity).

The results of this analysis could reveal untapped potential for synergies. This may lead to a reconfiguration of objectives. This enables us to then group the SOs in categories as follows (Table 3):

Table 3. Classification of SOs

Specific Objectives	Influential	Sensitive	Strategic	Neutral
1.1. To improve facilities, services and skills in the area of public health and social care				X
2.1. To improve management systems for risk prevention and environmental and biodiversity protection			X	
2.2 To promote the use of sustainable energy and energy efficiency	X			
3.1. To strengthen, diversify, integrate the cross-border tourism offer and better manage cultural and natural heritage assets		X		
4.1. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patent /trademarks in the programme area		X		

This typology of SOs will be further utilised for the assessment of the financial allocation.

(c) the consistency of the allocation of budgetary resources with the objectives of the programme

In the current context of limited resources, the need to prioritise and concentrate is of increased importance. The Interreg IPA Crossborder Cooperation Programme Croatia – Serbia must demonstrate that the allocation of financial resources to the measures is balanced and appropriate to meet the objectives that have been set. On the whole, the coherent allocation of available resources not only enhances the added value of public support, but also promotes a more efficient use of resources toward achieving the objectives and priorities of ETC policy.

The aim is to verify whether the financial programme resources are adequately distributed among the programme objectives and related actions so that they can address and tackle the most important challenges and needs identified.

Based on the overview below of the budgetary weight attached to the typology of specific objectives examined in the internal coherence assessment, the distribution of expenditures of the CP's financial resources among the four PAs (excl. TA) is rather focused, since nearly 40% of funds are directed towards "Influential" & "Strategic" objectives. Expenditure should be focused on those objectives which show the highest capacity not only for exerting influence on all of the other objectives, but for generating synergies and knock-on effects as well.

Table 4. Assessment of the CP's financial allocation

Priority Axis/ Specific Objectives	Union Support	% P.A. / total	% S.O./P.A.	Influential	Sensitive	Strategic	Neutral
PA 1 - Health and Social care services							
1.1. To improve the quality of facilities, services and skills in the area of public health and social care	5.143.980		100%				5.143.980
TOTAL PA 1	5.143.980	15%					
PA 2 - Environment, biodiversity, risk prevention, sustainable energy and energy efficiency							
2.1. To enforce integrated cross-	7.201.569,5		60%			7.201.569,5	

<i>Priority Axis/ Specific Objectives</i>	<i>Union Support</i>	<i>% P.A. / total</i>	<i>% S.O./P.A.</i>	<i>Influential</i>	<i>Sensitive</i>	<i>Strategic</i>	<i>Neutral</i>
<i>border monitoring/ management systems for key existing risks and environmental and biodiversity protection</i>							
<i>2.2 To promote use of sustainable energy and energy efficiency</i>	4.801.046,5		40%	4.801.046,3			
TOTAL PA 2	12.002.616	35%					
PA 3 - Tourism and Cultural and Natural Heritage							
<i>3.1. To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets</i>	7.544.500		100%		7.544.500		
TOTAL PA 3	7.544.500	22%					
PA 4 - Competitiveness and Business Environment Development							
<i>4.1. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patent /trademarks in the programme area</i>	6.172.774		100%		6.172.774		
TOTAL PA 4	6.172.774	18%					
PA 5 - Technical Assistance	3.429.318	10%					
TOTAL	34.293.188	100,0%		4.801.046,3	13.717.275,2	7.201.569,5	5.143.978,2
			<i>distribution</i>	15,56%	44,44%	23,33%	16,67%

(d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programme with the CSF, the Partnership Agreement and the relevant country specific recommendations adopted in accordance with Article 121(2) TFEU and where appropriate at national level, the National Reform Programme;

An appraisal of the external coherence usually examines in how far the strategy of a programme is also connected to other relevant policy strategies, programmes and instruments which exist at the European, national or regional levels.

As the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia 2014-2020 covers a new EU-Member State and a country that has been granted EU candidate status since 2012, it is literally impossible to appraise the connection to and influence of all existing national or regional-level policy strategies and domestic support programmes on the expected programme results. The same holds true for the many regional-level Growth and Jobs programmes and also for the other ETC-Programmes, which will be implemented during the 2014-2020 funding period throughout the EU. Due to this, our appraisal mainly focuses on answering the following two main evaluation questions:

(1) In how far does the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia 2014-2020 consider and possibly contribute to other important EU-level strategies and policies which are closely related to the themes addressed by the thematic and specific objectives of the programme?

(2) Does the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia adequately reflect the specific role which the EU-level expects the programme to play in the wider context of ETC?

Since the publication of the Europe 2020 Strategy in 2010, a large number of European-level policy documents, strategies and programmes were issued. They further specify most often the delivery of the Union's smart, sustainable and inclusive growth strategy or address its territorial cohesion dimension. The documents, strategies and programmes which we considered most relevant for the themes addressed by the TPs and SOs of the IPA Crossborder Cooperation Programme Croatia – Serbia are:

1. South East Europe 2020 strategy
2. Danube Region Strategy
3. EU Strategy for the Adriatic-Ionian Region

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Table 5. External coherence with the South East Europe 2020 strategy

Overall targets		i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average ii. Grow the region's total value of trade in goods and services by more than 130% iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP													
Pillars		Integrated growth			Smart growth				Sustainable growth		Inclusive growth			Governance for growth	
Pillar targets		iv. Increase intra-regional trade in goods by more than 230% v. Increase overall FDI inflows to the region by at least 120%			vi. Increase GDP per person employed by 33%; vii. Add 300,000 highly qualified people to the region's workforce				viii. Increase the rate of enterprise creation by 20% ix. Increase exports of goods & services per capita from the region by 130%		x. Increase the overall employment from 40.2% to 45.2%			xi. Increase government effectiveness by 20% by 2020	
Pillar Dimensions		Free Trade Area	Competitive Economic Environment	Integration into Global Economy	Education/ Competences	R&D and Innovation	Digital Society	Culture & Creative Sectors	Competitive-ness	Resource Efficiency	Employment	Skills and Inclusive Education	Health	Effective public services	Anti-Corruption
1. (TP 1) Health and Social care services															
C OBJECT	1.1. To improve the quality of facilities, services and skills in the area of public health and social care	0	0	0	1	0	1	0	0	0	1	1	2	2	0
2. (TP 2) Environment, biodiversity, risk prevention, sustainable energy and energy efficiency															
SPECIFIC OBJECTIVE	2.1. To enforce integrated cross-border monitoring/ management systems for key existing risks and environmental and biodiversity protection	0	0	0	1	1	1	0	0	1	1	1	1	1	0
	2.2. To promote the use of sustainable energy and energy efficiency	0	0	0	1	1	1	0	0	3	1	1	0	1	0
3. (TP 4) Tourism, cultural and natural heritage															
SPECIFIC OBJECTIVES	3.1. To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets	1	1	1	1	1	1	2	2	1	2	2	1	1	0

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Overall targets		i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average ii. Grow the region's total value of trade in goods and services by more than 130% iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP													
Pillars		Integrated growth			Smart growth				Sustainable growth		Inclusive growth			Governance for growth	
Pillar targets		iv. Increase intra-regional trade in goods by more than 230% v. Increase overall FDI inflows to the region by at least 120%			vi. Increase GDP per person employed by 33%; vii. Add 300,000 highly qualified people to the region's workforce				viii. Increase the rate of enterprise creation by 20% ix. Increase exports of goods & services per capita from the region by 130%		x. Increase the overall employment from 40.2% to 45.2%			xi. Increase government effectiveness by 20% by 2020	
Pillar Dimensions		Free Trade Area	Competitive Economic Environment	Integration into Global Economy	Education/ Competences	R&D and Innovation	Digital Society	Culture & Creative Sectors	Competitive-ness	Resource Efficiency	Employment	Skills and Inclusive Education	Health	Effective public services	Anti-Corruption
4. (TP 7) Competitiveness and SME development															
SPECIFIC OBJECTIVES	4. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area	1	2	2	1	2	2	1	3	0	2	2	0	1	0
SUM		2	3	3	5	5	6	3	5	5	7	7	4	6	0

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Table 6. External coherence with the EU Strategy for the Danube Region

Pillars		Connect the Region			Strengthening the Region		Building Prosperity			Protecting the Environment			
Dimensions		Sustainable energy	Culture and tourism, People to People	Mobility		Security	Institutional capacity and cooperation	Competitiveness	People and skills	Knowledge society	Water quality	Biodiversity, landscapes, air and soil quality	Environmental risks
				Waterways	Rail-Road-Air								
1. (TP 1) Health and Social care services													
C OBJECTIVE	1.1. To improve the quality of facilities, services and skills in the area of public health and social care	0	0	0	0	0	1	0	1	1	0	0	0
	2. (TP 2) Environment, biodiversity, risk prevention, sustainable energy and energy efficiency												
SPECIFIC OBJECTIVE	2.1. To enforce integrated cross-border monitoring/ management systems for key existing risks and environmental and biodiversity protection	1	0	2	2	1	2	0	1	1	2	3	3
	2.2. To promote the use of sustainable energy and energy efficiency	3	0	0	0	1	1	0	1	1	0	0	1
3. (TP 4) Tourism, cultural and natural heritage													
SPECIFIC OBJECTIVE	3.1. To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets	0	2	0	0	0	1	2	2	1	0	0	0
	4. (TP 7) Competitiveness and SME development												

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Pillars		Connect the Region				Strengthening the Region		Building Prosperity			Protecting the Environment		
Dimensions		Sustainable energy	Culture and tourism, People to People	Mobility		Security	Institutional capacity and cooperation	Competitiveness	People and skills	Knowledge society	Water quality	Biodiversity, landscapes, air and soil quality	Environmental risks
				Waterways	Rail-Road-Air								
SPECIFIC OBJECTIVES	4. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area	0	1	0	0	0	1	3	2	1	0	0	0
SUM		4	3	2	2	2	6	5	7	5	2	3	4

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Table 7. External coherence with the EU Strategy for the Adriatic and Ionian Region

Pillars		BLUE GROWTH			CONNECTING THE REGION			ENVIRONMENTAL QUALITY			SUSTAINABLE TOURISM	
Dimensions		Blue technologies	Fisheries and aquaculture	Maritime and marine governance and services	Maritime transport	Intermodal connections to the hinterland	Energy networks	The marine environment		Transnational terrestrial habitats and biodiversity	Diversified tourism offer (products and services)	Sustainable and responsible tourism management (innovation and quality)
								Threats to coastal and marine biodiversity	Pollution of the sea			
1. (TP 1) Health and Social care services												
C OBJECT	1.1. To improve the quality of facilities, services and skills in the area of public health and social care	0	0	0	0	0	0	0	0	0	0	0
2. (TP 2) Environment, biodiversity, risk prevention, sustainable energy and energy efficiency												
SPECIFIC OBJECTIVE	2.1. To enforce integrated cross-border monitoring/ management systems for key existing risks and environmental and biodiversity protection	1	0	1	0	0	0	1	2	2	0	0
	2.2. To promote the use of sustainable energy and energy efficiency	1	0	0	0	0	2	0	0	0	0	0
3. (TP 4) Tourism, cultural and natural heritage												
SPECIFIC OBJECTIVES	3.1. To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets	0	0	0	0	0	0	0	0	0	2	2
4. (TP 7) Competitiveness and SME development												

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Pillars		BLUE GROWTH			CONNECTING THE REGION			ENVIRONMENTAL QUALITY			SUSTAINABLE TOURISM	
Dimensions		Blue technologies	Fisheries and aquaculture	Maritime and marine governance and services	Maritime transport	Intermodal connections to the hinterland	Energy networks	The marine environment		Transnational terrestrial habitats and biodiversity	Diversified tourism offer (products and services)	Sustainable and responsible tourism management (innovation and quality)
								Threats to coastal and marine biodiversity	Pollution of the sea			
SPECIFIC OBJECTIVES	4. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area	1	0	0	0	0	0	0	0	0	0	1
SUM		3	0	1	0	0	2	1	2	2	2	3

The relations of Interreg IPA Crossborder Cooperation Programme Croatia – Serbia to macroregional strategies and relevant Programmes are described under Section 4.3 and Annex 9 of the programme document. Overall, the description sets out clear and appropriate provisions showing how complementarity, mutual cooperation and coordination will be achieved in relation to the other Programmes.

With respect to other cross-border and transnational programmes, the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia will encourage cooperation among programme areas in order to enable an exchange of experience and a transfer of best practices on specific topics. The synergies with these other ETC-Programmes can go in two directions: concrete joint projects with cross-border or transnational dimension that are funded by the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia could become the foundation for wider exchanges of experiences at EU level (“upstream” complementarity). Alternatively, exchanges and policy learning through transnational cooperation projects can subsequently lead to more Interreg IPA Crossborder Cooperation Programme Croatia – Serbia projects (“downstream” complementarity).

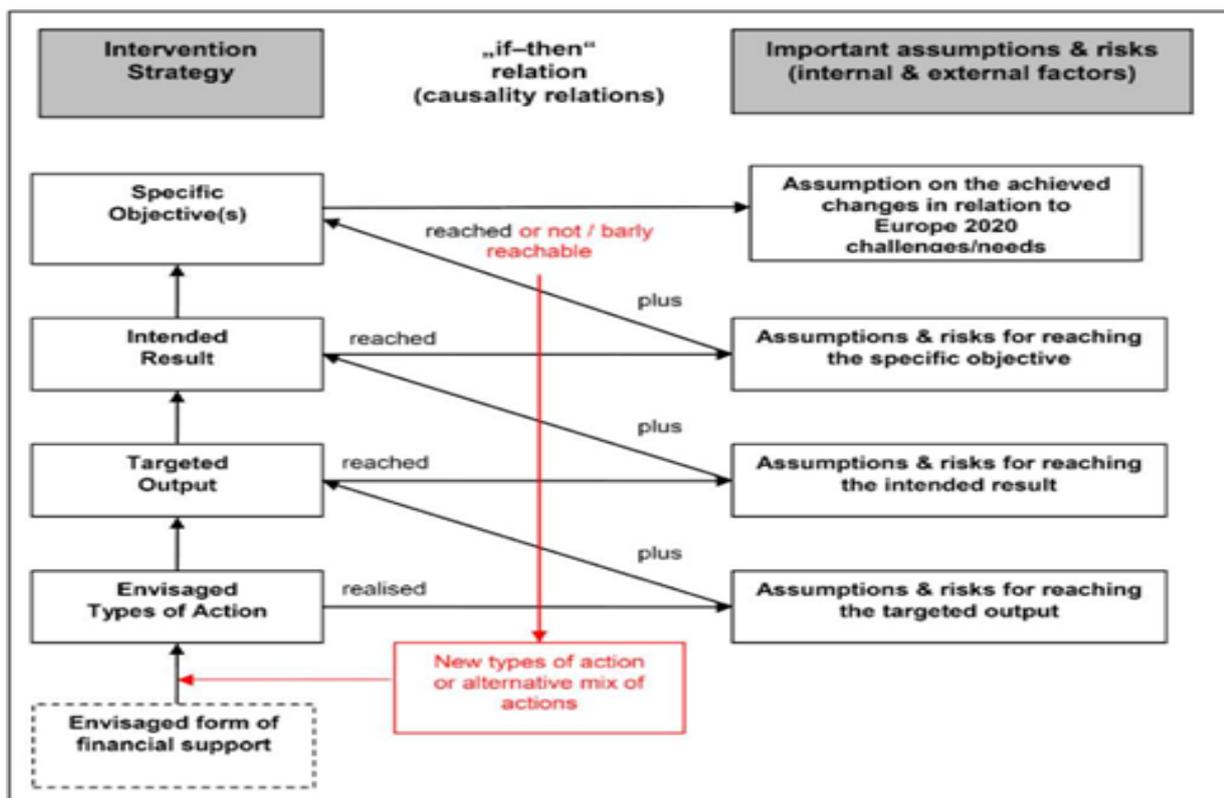
(f) how the expected outputs will contribute to results;

The Cohesion Policy for the period 2014-2020 must be strongly orientated towards results in order to contribute to the Europe 2020 Strategy, which requires that programmes dispose of an intervention logic that is clearly articulated. The intervention logic of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia is appraised at the level of the entire programme and at the level of the Thematic Priorities in order to adequately address the following four main evaluation questions:

- (1) Are the proposed actions to be supported in each Priority Axis, including the main target groups identified, the specific territories targeted and the types of beneficiaries sufficiently described and will the proposed actions lead to the expected outputs and intended results?
- (2) How will the expected outputs contribute to the intended results (i.e. are the outputs conducive to results and to what extent?) and what is the change that the programme intends to bring in the cooperation area?
- (3) Which are the causal links between the proposed actions, their outputs and the intended results?
- (4) Were external factors that could influence the intended results identified and are the policy assumptions underpinning the programme logic backed up by evidence (e.g. from previous experiences, evaluations or studies)

For appraising the intervention logic of the Thematic Priorities (TPs) selected for the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia, the following a basic model for the logical framework analysis is applied (see: Figure 1).

Figure 1. Basic logical framework model



On ground of this, a complete table-based logical framework was drawn up for each TP of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia.

Table 8. Intervention Logic of TP 1. Health and Social care services

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	1.1. To improve the quality of facilities, services and skills in the area of public health and social care.	The proposed specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy. The specific objective title has been revised, to make it less vague in terms of the intended achievement. Also, it focuses more on the induced changes on the level or effectiveness of health and social care, though it still contains more than one actual objective.
Intended Result	Improved quality of the facilities, as well as the delivery of services and skills in the area of public health and social care Means of verification (result indicator): Number of elderly people and children assisted by social services provided through government bodies	Already existing funding experience 2007-2013. The result indicator is a demand-side indicator covering the entire programme area and is close to the policy, in order to showcase the link with the interventions and their contribution towards this result. The basic assumptions underlying the future implementation process, either implicitly presumed by the programme stakeholders or explicitly stated in the programme document, are in general valid at each level of the TP-intervention strategy.
Targeted	Making more accessible & effective public	The targeted output focuses on the essential

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
Output	<p>health & service facilities.</p> <p>Means of verification (output indicators):</p> <ol style="list-style-type: none"> 1. Number of persons trained 2. Number of jointly developed tools/services projects 3. Population covered with improved social & health services or facilities 	<p>challenges/needs/potentials identified by the Programme</p> <p>The vertical elements of the intervention strategy are logically interlinked. This means that the proposed “types of action” will lead to the expected outputs and that these outputs will contribute to the intended result, which in turn allows achieving the specific programme objective.</p>
Envisaged “Types of Action’	<p>Developing and implementing lifelong learning programmes, joint initiatives to improve accessibility, and/or related pilot projects aiming to enhance the quality, improve accessibility to and effectiveness of public health care and social services and institutions, ICT solutions, networking</p>	<p>The envisaged “types of action” are delivered by the adequate beneficiaries for the right target groups and allow therefore achieving the targeted output.</p> <p>The envisaged operations are to be selected through adequate criteria and will allow therefore achieving the targeted output.</p>

Table 9. Intervention Logic of TP 2. Environment, biodiversity, risk prevention, sustainable energy and energy efficiency

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	<p>2.1. To enforce integrated cross-border monitoring/ management systems for key existing risks and environmental and biodiversity protection</p>	<p>The proposed specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy The specific objective title has been revised, to make it less vague in terms of the intended achievement. However it still describes actions.</p>
Intended Result	<p>Better management of environmental and biodiversity protection and upgraded joint cross-border management system for risk prevention</p> <p>Means of verification (result indicator): Improved disaster response capability in the programme area</p>	<p>The specific objective is provided with a clearly set target in response capability</p> <p>The result indicator is a supply-side indicator covering the entire programme area and is close to the policy, in order to showcase the link with the interventions and their contribution towards this result.</p>
Targeted Output	<p>Improved management systems for risk prevention, protecting biodiversity, ecosystems, NATURA 2000 and green infrastructure</p> <p>Means of verification (output indicators):</p> <ol style="list-style-type: none"> 1. Number of jointly developed and/or operated monitoring systems 2. Surface area of habitats supported in order to attain a better conservation status 	<p>The defined types of actions are assessed to generally lead towards the desired type change and to a more favourable situation.</p>
Envisaged “Types of Action’	<p>Joint actions in the area of monitoring and management of environmental and/or biodiversity protection, developing and implementing integrated risk management initiatives and pilot & demonstration projects, joint plans for protection of endangered</p>	<p>The envisaged “types of action” are delivered by the adequate beneficiaries for the right target groups and allow therefore achieving the targeted output.</p> <p>The revised text has satisfied the need to</p>

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
	species, Joint valorisation and promotion of ecosystems, joint awareness raising activities.	reference to existing platforms for cooperation and possible obstacles for cooperation in the environmental protection area.

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	2.2. To promote the use of sustainable energy and energy efficiency	The proposed specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy. The intended change however refers to levels of use and not to changes in the induced benefit from the use of sustainable energy.
Intended Result	Increased capacities for development of sustainable energy & energy efficiency Means of verification (result indicator): Energy consumption by public buildings in the programme area	Already existing funding experience 2007-2013. The operations induce demand-side effects (short-, medium- or long-term, direct or indirect) which contribute to the intended overall result and to an achievement of the specific objective. The result indicator is covering the entire programme area and is closely-linked to the policy.
Targeted Output	Promoting innovative technologies for sustainable energy production thus improving energy efficiency Means of verification (output indicators): 1. Decrease of annual energy consumption of public buildings (target value: kWh per year) 2. Additional capacity of renewable energy production (target value: MW)	The objective shall result in a decrease in annual energy consumption and an increase of the capacity of actors involved in energy planning and supply by actions aimed at strengthening the capacity. The examples of actions given in the programme document clearly contribute to capacity development.
Envisaged “Types of Action’	Developing and implementing pilot and demonstration projects on innovative technologies, Investing in joint infrastructure on sustainable energy and energy efficiency, Developing and implementing actions aiming to increase energy efficiency in public infrastructures, Implementing awareness rising, information campaigns, etc.,	The envisaged “types of action” are delivered by the adequate beneficiaries for the right target groups and allow therefore achieving the targeted output. The envisaged “types of action” are selected through adequate criteria and allow therefore achieving the targeted output.

Table 10. Intervention Logic of TP 4. Tourism and Cultural and Natural Heritage

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	3.1. To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets	The achieved specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy. However, as stated, the

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
		title of the SO refers to more than one objective.
Intended Result	Strengthened, diversified, better integrated cross-border tourism offer and better managed cultural and natural heritage assets Means of verification (result indicator): Number of overnights in the programme area	Already existing funding experience 2007-2013. The link between result indicator and actions is reasonable, meaning that if the programme funds actions in the fields outlined above under the objective, it is plausible that this will lead to desired tourism demand increase. The result indicator is covering the entire programme area and is closely-linked to the policy.
Targeted Output	Further strengthening, diversification and integration of tourism potential in the programme area as well as preservation and better management of cultural and natural heritage assets Means of verification (output indicators): <ol style="list-style-type: none"> 1. Number of joint tourism products developed 2. Number of tourism supporting facilities and/or tourism infrastructure 3. Number of persons educated in quality assurance, standardisation on cultural and natural heritage and destination management 4. Increase in expected number of visitors to supported sites of cultural and natural heritage 	The output indicators, previously focused on knowledge creation (plans, strategies), have now been changed so that these represent different aspects of the outputs of the activities of the priority. Following ex-ante comments, the outputs now cover investments, institutions involved, learning experiences (which most probably need a definition) and enterprises involved.
Envisaged “Types of Action”	Joint development, branding and promotion of tourism niches & of new tourism products, diversification of the tourism offer and capacity, Improvement of recreational and small-scale tourism infrastructure, Preparing and developing joint tourism strategies and action plans, networking, Training, etc.	The envisaged “types of action” are delivered by the adequate beneficiaries for the right target groups and allow therefore achieving the targeted output. The envisaged “types of action” are selected through adequate criteria (Yes) and allow therefore achieving the targeted output

Table 11. Intervention Logic of TP 7. Competitiveness and business environment development

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	4.1. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area	The achieved specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of act. It should be emphasized again though, that actual uptake of innovations by the market can only be achieved by companies/ commercial actors, i.e. the programme assumes that sufficient funding from other financing sources will be available towards projects with strong private sector

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
		involvement/relevance on of the Europe 2020 Strategy.
Intended Result	<p>Increased competitiveness in the programme area through enhancing innovation, new technologies and ICT solutions in clusters.</p> <p>Means of verification (result indicator): Range of cluster activities enhancing innovation, new technologies and ICT solutions.</p>	The bottom line of the programme's intervention logic is that by fostering the sharing of physical and intangible assets (infrastructure, knowledge/experience) as well as by promoting the enhancement of networks, good ideas and collaboration platforms the innovation performance of the CP will increase. This is expected, in particular, for sub-regions lagging behind structurally and technologically.
Targeted Output	<p>Enhancing competitiveness and development of business environment and investment in the programme area</p> <p>Means of verification (output indicators):</p> <ol style="list-style-type: none"> 1. Number of cross-border networks or other collaborative schemes including entrepreneurs established or improved 2. Number of laboratories and or competence centers jointly used by entrepreneurs developed or improved 3. Number of innovative technologies, processes, products and services introduced by the enterprises in the programme area 4. Number of enterprises cooperating with research institutions. 	<p>This SO aims to advance the CP area's performance in non-technological innovation based on increased capacity of innovation actors. It is expected that this will result in an increased capacity of innovation actors (innovation intermediaries, authorities, research organisations and enterprises) to improve conditions for non-technological innovation. This shall in turn lead to an increased ability to generate non-technological innovation and provide possibilities for development of regions lagging technologically behind. A key assumption of the SO is that there is an under-utilized potential, in general, in non-technological innovation and that better capabilities of managing such aspects also provides an opportunity for regions lagging behind technologically to reap market opportunities. As already stated, this is a fair assumption, well in line with the overall programme strategy and the priority as such.</p>
Envisaged 'Types of Action'	<p>Development of training programmes aiming at improving knowledge and skills in entrepreneurship, strengthening capacities of the business support institutions, establishment of and support to existing and new business related sectorial networks and organisations, establishing and supporting development agencies, technological and competence centres, laboratories and ICT infrastructure, developing and strengthening cooperation between public sector, education, research & development organisations and entrepreneurs, cross-border development, adaptation and exchange of best practices in application of new technologies, processes, products or services</p>	<p>The assumptions and intervention logic are of relatively abstract nature as they delegate completely to the proposing organisations what will actually be done to realize the growth opportunities. Consequently it must be expected that most of the actions that will be funded will be of capacity-building nature and heterogenic in terms of application areas. This is accentuated by the examples of actions foreseen for this SO, which include:</p> <ul style="list-style-type: none"> • Forming alliances between different research and innovation milieus with leading competences (including actors from private, public and academic sectors in cooperation with non-profit organisations),

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
		<ul style="list-style-type: none"> • Establishing platforms enabling transfer of knowledge and building inter-regional synergies for the development of regional smart specialisation strategies. • Setting up and piloting measures for regions allowing for exchange of experience on implementation of smart specialisation strategies. <p>The list of possible actions is very long and a wide set of possible projects are mentioned. In general the mentioned actions provide sufficient information to be understandable, although some may be too long. As stated, the actions seem reasonable in order to progress towards the defined objectives and expected results. It is recognised that business model innovation has been included as a possible component of actions.</p>

(e) the relevance and clarity of the proposed programme indicators;

The Commission highlights in various guidance documents issued for the programming period 2014-2020 that with the increased focus on results, also the identification of indicators and the arrangements for monitoring and data collection gain an increased importance. This is also underlined by Commission’s new approach on viewing the intervention logic of ESI-Funds programmes: it is now less linear than in the past and more in line with the reality of policies and how they interact with other policies and general developments in the context of a programme. The new approach significantly changes the way how programme indicators and the programme-level arrangements for monitoring and evaluation have to be designed. This represents a real challenge especially for the ETC-Programmes. The ex-ante evaluation of the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia is therefore expected to address a larger number of evaluation questions relating to:

- (1) the programme indicator system (esp. relevance & clarity of the proposed programme indicators, relevance of the quantified baseline and target values, suitability of the milestones);
- (2) the programme-level arrangements for monitoring and data collection (i.e. measurability of indicators & data collection method, suitability of procedures, adequacy of human and administrative capacity) and for evaluation (i.e. types of evaluation envisaged).

The ex ante assessment is based on the following distinction between output and result indicators. **Outputs** are the direct products of programmes and they are linked to activities. They are intended to contribute to the results. The baseline for programme output indicators is always zero. To define output indicators, programmes should first review and select from the common output indicators (annexed to the ETC Regulation) where they apply. Where these cannot cover the scope of programme activities, programme-specific output indicators should be developed.

Result is defined as the specific dimension of well-being and progress for people that is intended to be changed with the contribution of the interventions designed. The contribution of other factors affecting the change is also taken into consideration. Result indicators in turn, are variables that provide information on specific aspects of this result that lend themselves to be measured (either in qualitative or quantitative terms). In other words, programme result indicators should cover a dimension of the result which programme intervention could influence and which can be measured and captured. Furthermore, a result indicator should show what the situation is like when the programme starts (i.e. show why interventions are needed) and how the situation evolves as the programme progresses, i.e. has a baseline unequal zero.

Indicators in an ETC-programme face specific challenges as they are supposed to measure thematic outputs, process-related progress (learning, capacity-building, networking) as well as programme-related results that are probably less observable than in regional or national Jobs- and Growth programmes. The assessment of indicators needs to take into account these specific challenges and possible structural constraints.

Overall, the CP's output indicators are relevant and allow to link outputs with the results and thus the change measured by the result indicators. The output indicators are not meant to cover all possible outputs of a programme, and the proposed output indicators are defined in a way that they do not cover all activities supported. Overall, the proposed result indicators have a rather broad definition as they do not focus exclusively on (1) "measures inspired" or (2) "amounts of Structural Funds influenced" by the Interreg IPA Crossborder Cooperation Programme Croatia – Serbia. This suggests that the Programme result indicators do cover other factors that can influence the wider results. If this holds true, then the proposed indicators do indeed (as suggested in the regulations) monitor the development the programme area faces. Given the broader result indicator focus, it hardly allows capturing a substantial share of the envisaged Programme results, as the also expected improvement of other regional policies and national programmes is already "excluded" from the current indicator focus.

The main regulatory references concerning indicators to be adopted for surveillance, monitoring and evaluation of the IPA CBC HR-RS 2014-2020 Programme includes the following:

- art. 27, paragraph 4, and art. 96, paragraph 2, letter b), points ii) and iv), of Regulation (EU) n. 1303/2013, CPR;
- art. 8, par. 2, letter b), point v), and art. 16, par. 1 of Regulation (EU) 1299/2013

In Tables 12 and 13 below the result of the assessment of compliance are presented in synthetic and table form.

Paragraph 4 of Article 27 (Content of Programmes) of the Reg. EU n. 1303/2013 stipulates: *"Each priority shall set out indicators and corresponding targets expressed in qualitative or quantitative terms, in accordance with the Fund-specific rules, in order to progress in programme implementation aimed at achievement of objectives as the basis for monitoring, evaluation and review of performance. Those indicators shall include:*

- a) *financial indicators relating to expenditure allocated;*
- b) *output indicators relating to the operations supported;*
- c) *result indicators relating to the relevant priority.*

For each ESI Fund, the Fund-specific rules shall set out common indicators and may set out provisions related to programme- specific indicators."

Regarding the quantification requirement, it is highlighted that the Interreg IPA CBC HR-RS 2014-2020 Programme is entirely compliant as the total number of target values for Output Indicators, and Target and Baseline values for Result indicators have been quantified.

Concerning points a) through c) of the list above in Par. 4 Art. 27 of Reg. 1303/2013, the Interreg IPA CBC HR-RS 2014-2020 Programme is fully compliant, as the PO contains in each of the chapter related to the Priority Axis financial, output and result indicators.

Article 8 of Regulation (EU) n. 1299/2013, paragraph 2, letter b), points ii) and iv), states: *“An operational programme shall contribute to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion and shall set out: a) (...); b) for each priority axis other than technical assistance: i) (...); ii) in order to strengthen the result-orientation of the programming, the expected results for the specific objectives, and the corresponding result indicators, with a baseline value and a target value, where appropriate quantified in accordance with the Fund-specific rules; iii) (...); iv) the output indicators, including the quantified target value, which are expected to contribute to the results, in accordance with the Fund-specific rules, for each investment priority; (...)”*.

Concerning point ii) has been already remarked as the Interreg IPA CBC HR-RS 2014-2020 Programme does contain quantified target and/or targets and baseline values for all the indicators identified in the programme. Regarding point iv), the CP is also fully compliant as it associates correctly in all cases the output indicators to the thematic priority.

Article 16 “Indicators for the European territorial cooperation goal” of the regulation (EU) n. 1299/2013 concerning the ERDF, stipulates:

1. *“Common output indicators, as set out in the Annex to this Regulation, programme-specific result indicators and, where relevant, programme-specific output indicators shall be used in accordance with Article 27(4) of Regulation (EU) No 1303/2013 and with point (b)(ii) and (iv) and point (c)(ii) and (iv) of the first subparagraph of Article 8(2) of this Regulation.”*
2. *For common and programme-specific output indicators, baselines shall be set at zero. Cumulative quantified target values for those indicators shall be set for 2023.*
3. *For programme-specific result indicators, which relate to investment priorities, baselines shall use the latest available data and targets shall be set for 2023. Targets may be expressed in quantitative or qualitative terms.*

The Interreg IPA CBC Programme Croatia - Serbia appears to be fully compliant to the requirements listed above.

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Table 12. IPA CBC HR-RS 2014-2020 Programme: Output Indicators – Assessment of Compliance of the system of indicators to EU regulations

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point iv)	Reg. 1299 - art. 16, Par 2
1. Improving the quality of public social and health services in the programme area	Number of persons related to improving health care services and/or social care services trained	Number	IPA				412	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Number of jointly developed tools and services that enable better quality of social and health care	Number	IPA				7	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Population covered with improved health services and/or social services or facilities	Number	IPA				100.000	Monitoring of operations (progress reports)	Annually	Y	Y	Y
2. To protect the environment, biodiversity, improve risk prevention and promote sustainable energy and energy efficiency	Number of jointly developed and/or operated monitoring systems.	Number	IPA				4	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Surface area of habitats supported in order to attain a better conservation status	hr	IPA				8	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Additional capacity of renewable energy production	MW	IPA				32	Annual energy report Monitoring of operations (progress reports)	Annually	Y	Y	Y
3. To contribute to the development of tourism and preservation and sustainable use of cultural and natural heritage	Number of joint tourism products developed and promoted	Number	IPA				13	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Number of tourism supporting facilities and/or tourism infrastructure developed or improved	Number	IPA				11	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Number of persons educated in quality assurance, standardisation on cultural and natural heritage and destination management.	Number	IPA				302	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Increase in expected number of visitors to supported sites of cultural and natural heritage	Visits per year	IPA				1000	Monitoring of operations (progress reports)	Annually	Y	Y	Y
4. To enhance competitiveness and develop business environment in the programme area	Number of cross-border clusters or networks or other collaborative schemes including entrepreneurs established or improved	Number	IPA				7	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Number of laboratories and/or competence centres jointly used by entrepreneurs developed or	Number	IPA				7	Monitoring of operations (progress reports)	Annually	Y	Y	Y

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Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point iv)	Reg. 1299 - art. 16, Par 2
	improved											
	Number of innovative technologies, processes, products and services introduced by the enterprises in the programme area	Number	IPA			7	Monitoring of operations (progress reports)	Annually	Y	Y	Y	
	Number of enterprises cooperating with research institutions	Number	IPA			9	Monitoring of operations (progress reports)	Annually	Y	Y	Y	

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Table 13. IPA CBC HR-RS 2014-2020 Programme: Result Indicators – Assessment of Compliance of the system of indicators to EU regulations

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point iv)	Reg. 1299 - art. 16, Par 2
1. Improving the quality of public social and health services in the programme area	Number of elderly people and children assisted by social services provided through government bodies	Number	IPA				76.885	Regional centres for social care	2018 2020 2023	Y	Y	Y
2. To protect the environment, biodiversity, improve risk prevention and promote sustainable energy and energy efficiency	Improved disaster response capability in the programme area	Percentage	IPA				89%	National protection and rescue Directorate (Croatia) and Ministry of Interior (Serbia)	2018 2020 2023	Y	Y	Y
	Energy consumption by public buildings in the programme area	PkWh	IPA				111.127.518,39	Agency for Transactions and mediation in Immovable properties (ATMIP) in Croatia and Ministry of Mining and Energy in Serbia	2018 2020 2023	Y	Y	Y
3. To contribute to the development of tourism and preservation and sustainable use of cultural and natural heritage	Number of overnights in the programme area	Number	IPA				1.041.358	Annual Report – Croatian Bureau for Statistics	2018 2020 2023	Y	Y	Y
4. To enhance competitiveness and develop business environment in the programme area	Range of cluster activities enhancing innovation, new technologies and ICT solutions	Number	IPA				18	Ministry of Entrepreneurship and Chamber of Economy in Croatia and Ministry of Economy in Serbia	2018 2020 2023	Y	Y	Y

(g) whether the quantified target values for indicators are realistic, having regard to the support envisaged from the ESI Funds;

The targets of the output indicators for SO 1.1 – SO 4.1 seem to be realistic and strike a balance between ambitious and achievable. The justification and assumptions on which the target values are based are explained in a separate document (Annex 17). The target values are based on the average budget per project, which is calculated as the allocation is known, the number of project partners and projects envisaged, based on experience. A slightly lower number of projects could be expected due to a more challenging nature of projects. This is realistic and qualified as logic given the changes in the programme.

A further assessment carried on by the evaluator concerns the compliance of each output and result indicator to the S.M.A.R.T. criteria (Specific, Measurable, Achievable, Relevant, Time Bound):

- **Specific:** Objectives should describe what a strategy assessment, a policy or a project wants to achieve in a focused and precise way; objectives should be well-defined;
- **Measurable:** Objectives should be measurable so that their achievement can be assessed; this requires that they are quantified and timed (see below);
- **Achievable:** Objectives should be attainable with a reasonable amount of effort (in terms of work time, budget, actors involved etc.), and achieving them should be neither too easy nor too hard (or even impossible);
- **Relevant/realistic:** Objectives should be relevant to those who have the power and resources to realise them, and the resources necessary to achieve them should be available;
- **Timed/Time-bound:** It must be clear in what timeframe an objective should be achieved; objectives that do not state a “deadline” or “target year” are not measurable.

In Tables 14 and 15 below the result of the assessment of compliance are presented in synthetic and table form.

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Table 14. IPA CBC HR-RS 2014-2020 Programme: Output Indicators – Assessment of SMARTness of the system of indicators

Specific Objective	Indicator	Common / Programme specific	Unit	Target value (2023)	SMART criteria					
					Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
<i>PA 1. Improving the quality of public social and health services in the programme area</i>										
1.1. To improve the quality of facilities, services and skills in the area of public health and social care	Number of persons related to improving health care services and/or social care services trained	P	Number	412	Y	Y	Y	Y	Y	
	Number of jointly developed tools and services that enable better quality of social and health care	P	Number	7	Y	Y	Y	Y	Y	
	Population covered with improved health services and/or social services or facilities	C	Number	100.000	Y	Y	Y	Y	Y	
<i>PA 2. To protect the environment, biodiversity, improve risk prevention and promote sustainable energy and energy efficiency</i>										
2.1. To enforce integrated cross-border monitoring/ management systems for key existing risks and environmental and biodiversity protection	Number of jointly developed and/or operated monitoring systems.	P	Number	4	Y	Y	Y	Y	Y	
	Surface area of habitats supported in order to attain a better conservation status	C	hr	8	Y	Y	Y	Y	Y	
	Additional capacity of renewable energy production	C	MW	32	Y	Y	Y	Y	Y	
<i>PA 3. To contribute to the development of tourism and preservation and sustainable use of cultural and natural heritage</i>										
3.1. To strengthen, diversify and, integrate the cross-border tourism offer and better manage cultural and natural heritage assets	Number of joint tourism products developed and promoted	P	Number	13	Y	Y	Y	Y	Y	
	Number of tourism supporting facilities and/or tourism infrastructure developed or improved	P	Number	11	Y	Y	Y	Y	Y	
	Number of persons educated in quality assurance, standardisation on cultural and natural heritage and destination management.	P	Number	302	Y	Y	Y	Y	Y	
	Increase in expected number of visitors to supported sites of cultural and natural heritage	C	Visits per year	1000	Y	Y	Y	Y	Y	
<i>PA 4. To enhance competitiveness and develop business environment in the programme area</i>										
4.1. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area	Number of cross-border clusters or networks or other collaborative schemes including entrepreneurs established or improved	P	Number	7	Y	Y	Y	Y	Y	
	Number of laboratories and/or competence centres jointly used by entrepreneurs developed or improved	P	Number	7	Y	Y	Y	Y	Y	
	Number of innovative technologies, processes, products and services introduced by the enterprises in the programme area	P	Number	7	Y	Y	Y	Y	Y	
	Number of enterprises cooperating with research institutions	C	Number	9	Y	Y	Y	Y	Y	

Table 15. IPA CBC HR-RS 2014-2020 Programme: Result Indicators – Assessment of SMARTness of the system of indicators

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Specific Objective	Indicator	Common / Programme specific	Unit	Baseline	Baseline Year	Target value (2023)	SMART criteria					Actions to be undertaken
							Specific	Measurable	Achievable	Relevant	Time bound	
<i>PA 1. Improving the quality of public social and health services in the programme area</i>												
1.1. To improve the quality of facilities, services and skills in the area of public health and social care	Number of elderly people and children (up to assisted by social services provided through government bodies	P	Number	82.672	2014	76.885	Y	Y	Y	Y	Y	
<i>PA 2. To protect the environment, biodiversity, improve risk prevention and promote sustainable energy and energy efficiency</i>												
2.1. To enforce integrated cross-border monitoring/ management systems for key existing risks and environmental and biodiversity protection	Improved disaster response capability in the programme area	P	Percentage	42%	2014	89%	Y	Y	Y	Y	Y	
2.2 To promote the use of sustainable energy and energy efficiency	Energy consumption by public buildings in the programme area	P	Percentage	119.491.955,26	2015	111.127.518,39	Y	Y	Y	Y	Y	
<i>PA 3. To contribute to the development of tourism and preservation and sustainable use of cultural and natural heritage</i>												
3.1. To strengthen, diversify and, integrate the cross-border tourism offer and better manage cultural and natural heritage assets	Number of overnights in the programme area	P	Number	1.037.837	2012	1.041.358	Y	Y	Y	Y	Y	
<i>PA 4. To enhance competitiveness and develop business environment in the programme area</i>												
4.1. To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area	Range of cluster activities enhancing innovation, new technologies and ICT solutions	P	Number	12	2014	18	Y	Y	Y	Y	Y	

According to the above Tables, the output indicators for the Interreg IPA CBC HR-RS 2014-2020 Programme are highly relevant to the actions supported; and likely to contribute to the change of the result indicators. Beyond the common output indicators which are pre-defined, the proposed programme-specific output indicators are also clear and have unequivocal, easy to understand definitions. Each target value for the output indicators has been developed to take into account requirements in EC Guidance to ensure that they reflect the expected effects of the actions, are based on extrapolations of past performance data of existing programmes, are achievable in the context of the economic environment and given the financial allocation through the programme; and are recorded using an appropriate data source which will allow the monitoring of the overall achievement of each Indicator.

Concluding the assessment of result indicators, the evaluator positively notes that result Indicators for the programme are highly relevant to the development needs identified, likely to contribute to the change the programme intends to bring to the region and strongly linked to the actions of the Interreg IPA CBC HR-RS 2014-2020 Programme. Also, each result indicator for the programme has been developed to take into account requirements in EC Guidance to ensure that they are clear and easy to understand, unequivocal in meaning and detailing an agreed movement, robust in that what they aim to measure will not be influenced by outliers or extreme examples, reliable in that external influences (which may impact on the achievement of targets) have been taken into consideration; and statistically valid, i.e. it is clear how the result will be monitored. Baseline values in particular have been developed using robust, reliable and statistically valid sources of data and have been developed in accordance with EC guidance. Each target value for the programme has been developed to take into account requirements in EC Guidance to ensure that they reflect the expected effects of the actions, are based on extrapolations of past performance data of existing programmes, are achievable in the context of the economic environment and given the financial allocation through the programme; and are recorded using an appropriate data source which will allow the monitoring of the overall achievement of each Indicator.

(h) the rationale for the form of support proposed;

Actions detailed within the CP are appropriate, consistent with and adequately reflect the intentions under the development needs, the Thematic Priorities, Specific Objectives and proposed result indicators for the programme. The Evaluation Team suggested a number of amendments and clarifications as a result of this work and the programme developers strengthened the case for the actions and indicators under a number of Thematic Priorities.

The causal chain linking the implementation assumptions and the intended outcomes across all levels is in general robust and the “direct ownership” which the cross-border knowledge-transfer projects (under SO 1.1., SO 2.1., SO 3.1, SO 4.1) can claim in relation to the induced changes will be wider than in case of the infrastructure improvements (SO 1.1 & SO 2.2). This is mainly due to the fact that project activities will directly support an acquisition of new policy-relevant knowledge and the design of new measures for policy improvements in the involved project regions and also initiate the necessary processes of organisation-internal or inter-organisational policy learning. With respect to potential risks that might exist at different levels of the intervention strategies (per Thematic Priority), we observe that in general there are no major factors more or

less under direct control of the programme management which might have a negative influence on the achievement of the expected outputs/intended results and ultimately also of the specific objectives (not considered are “unmanageable risks”).

(i) the adequacy of human resources and administrative capacity for management of the programme;

The description of the management and control system and arrangements are set out in Section 5 and further elaborated in Annexes 9-16 of the Interreg IPA CBC HR-RS 2014-2020 Programme in accordance with Article 8(4) of the ETC regulation 1299/2013 and are wide ranging. The Ex Ante Evaluator appraises that the programme contains an adequate description of the management and control system, as well as of the support required that will assist in ensuring that adequate resources and capacity are in place for the management of the programme. The proposed levels of human resources and administrative capacities are proportionate to the needs of the programme management and delivery, taking into account the skills set and capabilities present within the human resources and administrative capacities relevant to the specific needs of programme management and delivery and the experience of the implementing bodies coupled with the training (if required) will ensure that the required skills and capacity are in place to deliver the programme. Finally, the Programme Developers have taken steps to ensure that the mechanisms are in place to ensure that all aspects of programme implementation (including monitoring and evaluation) are managed effectively and efficiently.

(j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;

The relevant information is provided in Sections 5.4.g.b) and 5.4.j of the Interreg IPA CBC HR-RS 2014-2020 Programme. Apparently the Joint Secretariat and the Managing Authority will primarily be responsible for the collation of the progress data and reports provided by the lead beneficiary which are required for the monitoring and performance appraisal system. The JS will use the programme’s e-Monitoring System (eMS), which is scheduled to become fully operational by no later than 31 December 2015, to capture and store administrative records compiled from beneficiary body returns.

This will ensure the quality of monitoring data recording, however a sort of an Administrative Agreements will need to be established between the Managing Authority and each lead beneficiary involved in data collection containing stipulations regarding the timeliness of Data Collection. In addition, needed support should be provided through Technical Assistance to address the capacity development needs of the personnel engaged in monitoring data management. This should take the form of the provision of guidance and training to beneficiaries involved.

Finally, Section 5.4.i of the Interreg IPA CBC HR-RS 2014-2020 notes that an evaluation plan will be prepared in accordance with Article 110(2)(c) of the CPR. The Ex Ante Evaluator recommends that in drawing up the evaluation plan, cognisance is also given to the need for clarity and completeness, especially in specifying requirements in relation to data collection, other data sources and availability of guidance (training activities).

(k) the suitability of the milestones selected for the performance framework;

Not applicable section

(l) the adequacy of planned measures to promote equal opportunities between men and women and to prevent any discrimination, in particular as regards accessibility for persons with disabilities;

This section focuses on the integration of the Horizontal Principles for equal opportunities and non-discrimination as part of the programme's strategy. The Ex Ante Evaluation Team has structured feedback around the following key questions:

- How has the programme planned measures to promote equal opportunities between men and women and prevent discrimination?
- How does the programme contribute to these horizontal principles?
 - How does the programme promote equality between men and women?
 - What arrangements have been developed to ensure the integration of the gender perspective?

These Horizontal Principles (Equality between Men and Women, Prevention of Discrimination and Sustainable Development) have been embedded in programme design. They were built into the Programme from the outset as Sections 6.2 & 6.3 of the Interreg IPA CBC HR-RS 2014-2020 summarize, including evidence that gender perspective and prevention of discrimination taken into account in the socio-economic analysis during the programme design stage and included consultation with equality bodies/ organisations and other relevant stakeholders. Based on the evidence above, it is clear that the programme has taken these Horizontal Principles into account in the design of the programme.

The Interreg IPA CBC HR-RS 2014-2020 has committed to integrating these Horizontal Principles throughout the programme as a whole. The Programme's contribution to the promotion of equality between men and women was not just stated in general terms, but explained fairly precisely, with clear objectives established and specific initiatives foreseen within the contours of cross-border cooperation. Also, certain arrangements were foreseen to ensure the integration of the gender perspective at programme as well as at operation level and in the implementation and monitoring and evaluation processes. Thus, the ex ante evaluator appraises that the programme has adequate actions relating to the promotion of equal opportunities and non-discrimination across all programme stages.

(m) the adequacy of planned measures to promote sustainable development;

This section focuses on the integration of the Horizontal Principle of sustainable development as part of the programme's strategy. The Ex Ante Evaluation Team has structured feedback around the following key questions:

- How has the programme planned measures to promote sustainable development?
- How does the programme contribute to this horizontal principle?

- Does the programme consider the integration of the sustainable development principle in the preparation, implementation and monitoring, including the selection of operations?
- What specific actions has the Programme taken to address horizontal themes and to act on the SEA?

This Horizontal Principle (Sustainable Development) has been embedded in programme design. It was built into the Programme from the outset as detailed in Section 6.1 of the Interreg IPA CBC HR-RS 2014-2020, including evidence that sustainable development taken into account in the socio-economic analysis during the programme design stage and included consultation with equality bodies/ organisations and other relevant stakeholders. Based on the evidence above, it is clear that the programme has taken this Horizontal Principle into account in the design of the programme.

The Interreg IPA CBC HR-RS 2014-2020 has committed to integrating this Horizontal Principle throughout the programme as a whole. Section 6.1 of the CP details specific actions ensuring that project selection criteria will assess projects on the basis of environmental protection requirements etc.; monitor and evaluate the application of the principle and have regard to the results of such monitoring and evaluation actions; and comply with the polluter pays principle. The programme has also been subject to a SEA to integrate environmental considerations into the preparation and adoption of the CP with a view to promoting sustainable development. The consultation draft of the SEA Report proposes a number of suggested actions to monitor the environmental impact and achievement of the Interreg IPA CBC HR-RS 2014-2020. Throughout the structuring and development of the SEA Report, the programme developers provided active assistance and were engaged in each step of the process. With regard to data-gathering during the preparation of the regional environmental profile, assistance was provided through the identification of relevant sources. Drafts of the Environmental Report were provided to programme developers to review and the Managing Authority has accepted several of the proposed monitoring indicators. Overall, the ex ante evaluator appraises that the programme has adequate actions relating to the promotion of sustainable across all programme stages.

(n) measures planned to reduce the administrative burden on beneficiaries.

The relevant reference to the reduction of administrative burden for beneficiaries is made under Technical Assistance's Specific Objective 5.1 To manage and implement the programme effectively and efficiently. Most relevant are provisions for:

- setting-up and implementing procedures for the quality assessment, monitoring and control of operations implemented under the cooperation programme, (making use of experts where relevant) and contributing to the reduction of administrative burden for beneficiaries
- setting up, running and maintaining a computerised system to record and store data on each operation necessary for the monitoring, evaluation, financial management, verification and audit (including data on individual participants in operations where applicable, in compliance with electronic data exchange requirements provided for in Article 122(3) of the CPR and in related implementing acts) and contributing to the reduction of administrative burden for beneficiaries

However, the programme developers need to also take cognizance of the Commission's Proposals for the Harmonisation and Simplification of CSF Programmes. For example, all arrangements for the implementation and use of the CSF Funds in relation to the reporting, evaluation, management and control should be

proportionate in financial and administrative terms to the level of support allocated. It is important that in the implementation stages that the MA ensures that proportionality is applied at project level also. Also, Programme developers have the option of agreeing not to hold an annual review meeting in years other than 2017 and 2019. Since programmes take time to launch, the first implementation report and clearance of accounts documents will have to be sent only in 2016. Programme developers could adopt this proposal indicating that the first annual implementation report will be sent in 2016. Finally, the use of electronic data exchange could contribute to lighter and more automated annual reporting, thus decreasing the burden of producing the annual report.

STRATEGIC ENVIRONMENTAL ASSESSMENT NON-TECHNICAL SUMMARY

Introduction

This SEA study is prepared for the IPA Cross-Border Cooperation Programme Croatia-Serbia for the period 2014-2020 that aims to strengthen the social, economic and territorial development of the cross-border area between Croatia and Serbia.

The programme has been prepared for an area covering four counties in the north-east of Croatia: Osječko-baranjska, Vukovarsko-srijemska, Brodsko-posavska and Požeško-slavonska county and five districts on north-west of Serbia: North Bačka, West Bačka, South Bačka, Srem and Mačva.

The programme has a total indicative budget of 34.293.188 EUR for the 2014-2020 period. With this budget and territorial focus, the cooperation programme focuses on four priority axes:

- **Priority Axis 1: Improving the quality of social and health services in the programme area (5.143.978,20 mil €)** with one Specific Objective:
 - *1.1 To improve the quality of facilities, services and skills in the area of health and social care*
- **Priority Axis 2: Protecting the environment and biodiversity, improving risk prevention and promoting sustainable energy and energy efficiency (9.602.092,64 €)** with two Specific Objectives:
 - *2.1 To improve management systems for risk prevention and environmental and biodiversity protection, and*
 - *2.2 To promote use of sustainable energy and energy efficiency.*
- **Priority Axis 3: Contributing to the development of tourism and preserving cultural and natural heritage (8.573.297,00 €)** with one Specific Objective:
 - *3.1 To strengthen, diversify, integrate the cross-border tourism offer and better manage cultural and natural heritage assets*
- **Priority Axis 4: Enhancing competitiveness and developing business environment in the programme area (7.544.501,36 €)** with one Specific Objective
 - *4.1 To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area*

The programme will be implemented through various calls for proposals. Support to projects and ad-hoc application procedures and templates will be developed for each call for proposals. Calls for proposals might have different characteristics, i.e. they might be open to all programme priorities or thematically targeted in response to changed framework conditions in the area and/or taking into consideration the progress of the programme implementation. All these documents will be widely circulated and available from the programme and national websites.

Overview of key expected impacts of the proposed programme

The design of the programme - its focus on cross-border cooperation, nature of eligible activities and a rather limited budget - allows to support activities that address some of the most urgent trans boundary environmental problems. In addition to these positive impacts, the programme includes some proposals that - like any other development activities - pose some risks of adverse impacts on the environment. The expected impacts of the programme are shortly summarized in the matrix below:

Matrix of interactions between proposed Specific Objectives for each of the Priority Axes and their environmental implications		Climate change mitigation	Climate change adaptation	Air quality	Soil and agriculture	Water quality	Forests	Biodiversity	Ecological network	Cultural heritage	Public health	Waste and resource mgmt.
Priority Axis 1: Improving the quality of social and health services in the programme area (5.143.978,20 mil €)												
1.1	To improve the quality of facilities, services and skills in the area of health and social care											
Priority Axis 2: Protecting the environment and biodiversity, improving risk prevention and promoting sustainable energy and energy efficiency (9.602.092,64 €)												
2.1	To improve management systems for risk prevention and environmental and biodiversity protection											
2.2	To promote use of sustainable energy and energy efficiency.											
Priority Axis 3: Contributing to the development of tourism and preserving cultural and natural heritage (8.573.297,00 €)												
3.1	To strengthen, diversify, integrate the cross-border tourism offer and better manage cultural and natural heritage assets											
Priority Axis 4: Enhancing competitiveness and developing business environment in the programme area (7.544.501,36 €)												
4.1	To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area											

Key:

	Likely significant impacts expected, impacts can be either positive or negative
	Potential impacts expected, impacts can be either positive or negative
	No significant impact expected
	Likely significant adverse impacts expected
	Potential adverse impacts expected
	Likely significant positive impacts expected
	Potential positive impacts expected

The following text summarizes the nature of the proposed interventions, their possible impacts and recommendations formulated within this SEA study.

Findings regarding Specific Objective 1.1.

The proposed programme's Specific Objective 1.1. '**To improve the quality of facilities, services and skills in the area of health and social care**' envisages that support will be provided to developing and implementing joint activities on enhancing the quality of health care and social care: e.g. joint health services delivery, active and healthy aging, disease prevention implementation plan, implementing joint strengthening of health care for vulnerable groups with focus on elderly, palliative care and persons with disabilities, networking of institutions in the area of enhancing health and social care facilities, services and skills, etc.

These interventions are expected to have minor positive impacts on public health. No adverse impacts are expected.

This SEA recommends that the following measures can be taken in order to enhance positive environmental impacts of the proposed interventions:

- a. Supported facilities for health and social services should be located in flood-safe areas and should be easily accessible in emergency situations (e.g. not be cut-off by floods).
- b. Development or modernization of buildings must meet all applicable environmental requirements and should ideally demonstrate good environmental building practices - e.g. easy accessibility for public transport, energy efficiency, sound waste collection, etc.

Findings regarding Specific Objective 2.1.

The proposed programme's Specific Objective 2.1. '**To improve management systems for risk prevention and environmental and biodiversity protection**' aim to support developing and implementing of especially joint initiatives for biodiversity protection and environmental management, risk prevention systems (floods and other hazards) and pilot and demonstration projects including innovative approaches to risk prevention and mitigation.

The proposed interventions under Specific Objective 2.1 include actions related to joint actions in the area of monitoring and management of environmental and/or biodiversity protection which are expected to have positive impacts without any risks of adverse impacts. In this regard, we only recommend that monitoring and management responses should focus specifically on priority issues addressed by the Danube River Basin Management Plan and the EU Strategy for the Danube Region (EUSDR) where more information is needed from the region: i.e. ecological and chemical status of water bodies, source of water pollution, ground-water pollution and accidental risk spots inventory, indigenous species (especially Danube sturgeon species), status of all species and habitats covered by EU nature legislation, and invasive species. Improvements of monitoring systems should primarily entail exchange of information and making it publicly available - new monitoring

systems should be set up only when really needed. Monitoring system should be coordinated with bodies in charge of Danube River Basin Management Plan (i.e. ICPDR) - in terms of issues addressed, exact parameters monitored, using lessons from the Joint Danube Survey 3.

The character of proposed activities within IPA CBC Croatia-Serbia programme 2014-2020 also offers a suitable framework for supporting range of initiatives related to this cross-border Biosphere Reserve, especially on the Serbian side which awaits formal designation and where implementation needs are extensive given the large area involved. In this regard, pay increased attention to possible support to activities related to this Biosphere Reserve as long as they fit into logic of programme interventions and they demonstrate additionality to any ongoing projects that may be funded from other sources (EU, international or national).

On the other hand, the Specific Objective 2.1 include actions related to risk prevention systems which may have both positive or adverse impacts on flooding, water quality and possibly also biodiversity - depending on the exact choice of measures to be supported. Our recommendations for actions related to emergency preparedness and risk prevention systems and small/scale investments for reducing or mitigating environmental problems and risks are as follows.

All supported activities on flood protection should promote a long-term flood protection and retention approach that respects the ecological processes in the flood plains. Priority attention should be given to actions that address the following six targets of the Action Programme for Sustainable Flood Protection in the Danube River Basin which follow the same logic and have been endorsed within the framework of the International Commission for Protection of Danube River. Interventions on flood risks should be closely coordinated with Danube and Sava basin flood risk management plans and should also take into account potential impacts of climate change. Both of the proposed measures should ideally support implementation of Danube wide flood risk management plans due in 2015 under the Floods Directive. Alternately, should suitable application arise, priority consideration should be given to flood protection measures that can support implementation of priority measures endorsed through ICPDR's Sub-Basin Level Flood Action Plan for Pannonian Southern Danube (2009) - i.e.:

- Spatial planning (Preparation of flood risk maps, Ensuring that spatial plans contain flood hazard maps, Defining limitations related to land use in flood prone areas).
- Enhancing retention and detention capacities (Preserving - and where possible enhancing - existing capacities of natural flood retention capacities).
- Non-structural preventive measures: (Introducing principles of EU Floods directive to decision-making, Capacity building of professionals, Raising awareness and preparedness of general public (Raise awareness and preparedness of general public).

Lastly, we provide the following specific recommendations for actions related to pilot and demonstration projects including innovative approaches to risk prevention and mitigation that may have both positive and adverse impacts on environment and biodiversity:

- Supported measures must not restrict natural retention of flood plains - ideally should expand natural retention by e.g. promoting the 'room for river' approach that allows flooding during periods of high discharge.

- Consider adding establishment of protection forests amongst the types of eligible activities that can be supported.
- Flood prevention and drought protection projects should not be planned on locations where they will not have a negative impact on the Ecological Network target features or integrity.
- In case of support to irrigation, give preference to irrigation systems that do not require reservoir construction (especially not on the rivers) for their water source and that are not planned or already located within or in the vicinity of Ecological Network areas.

Findings regarding Specific Objective 2.2.

The proposed programme's Specific Objective 2.2. **'To promote use of sustainable energy and energy efficiency'** creates a funding framework for developing and implementing pilot and demonstration projects on innovative technologies and solutions in the field of sustainable energy and energy efficiency, implementing awareness rising, information campaigns, education, training and capacity building on sustainable energy production, utilisation of renewable energy resources and energy efficiency and joint incentives in order to improve planning and/or legal framework in the area of renewable energy resources and energy efficiency (e.g. analyses, comparisons, recommendation, local/regional action plans, etc.).

Although these interventions will have positive impacts on both climate change mitigation concerns (reductions in CO₂ emissions) and also adaptation concerns (adaptation to changing climatic conditions), there are several risks associated with their implementation. Renewable energy development may have - depending on the types of supported renewable energy options and their locations - adverse impacts especially on biodiversity, Natura 2000 network, water quality, landscape and cultural heritage.

In order to reduce these risks and enhance positive impacts of proposed activities, this SEA recommends that priority support within this Specific Objective should be given to:

- a. energy efficiency measures in public buildings (such as hospitals, schools - where possible synergies with interventions under Thematic Priority 1 Employment, Social Inclusion, Health and Social services exist)
- b. use of agricultural waste for energy production,
- c. demonstration projects for solar power on roofs or build surfaces as long as they do not have adverse visual impacts on the landscape amenity.

We also recommend that:

- d. Supported projects must be subject to applicable environmental and health protection standards and be subject (when needed) to: environmental impacts assessments, assessments of impacts on Natura 2000 network and consultations on transboundary impacts (if such impacts would be expected).
- e. Wind turbines and large solar parks should not be planned within areas important for bird preservation (Special Protection Areas, SPA).
- f. Large solar parks and hydropower plants should not be planned within areas important for preservation of species and habitat types (Special Areas of Conservation, SAC)

- g. It is recommended to finance smaller-scale solar power projects (use of several panels, rather than large parks). Solar parks should be limited to already built urban areas.
- h. Any larger-scale promotion of biomass farming should be permitted only if it can be proved that it will not lead to the deterioration of already achieved state of any water body surface and groundwater (which is e.g. a fourth objective of Croatian River Basin Management Plan). Biomass farming should not be supported on vulnerable areas under Nitrate Directive, unless such project applications prove that the choice of crops and farming practice will not increase fertilizers and pesticides loads.
- i. Targeted support can be provided to elaboration of renewable energy plans for counties in the study area and their optimizing through SEA processes. Such plans may be helpful for guiding preparations of specific investment projects and they can simplify environmental permitting processes (if SEA is done well). Such plans, can also consider any possible transboundary impacts.

Findings regarding Specific Objective 3.1.

The proposed programme's Specific Objective 3.1. 'To strengthen, diversify, integrate the cross-border tourism offer and better manage cultural and natural heritage assets' envisages that support will be provided to e.g. joint development, branding and promotion of tourism niches; development and diversification of the tourism offer and capacity; improvement of recreational and small-scale tourism infrastructure; developing and implementing joint initiatives on valuation, preservation, restoration and revitalisation of cultural and natural heritage sites; implementing training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) of cultural and natural heritage; equipment supply and also small scale infrastructure on cultural and natural heritage, etc.

Proposed interventions related to development and diversification of the tourism offer and capacity; improvement of recreational and small-scale tourism infrastructure may have some local impacts on biodiversity and Natura 2000 network with possible minor local impacts on water quality, landscape and cultural heritage. Our recommended measures for reducing risks of adverse impacts and enhancing positive environmental impacts of these interventions are:

- a. Ensure in the project preparatory phase, that no important and protected habitats and species (target features) are endangered by the planned infrastructure and activities.
- b. Preparation and development of joint tourism strategies and action plans should be subject to strategic environmental assessments (when their potential impacts would merit so).

It is recommended to consider prioritizing eco/agro-tourism projects that contribute to sustainable management of protected areas (e.g. walking and cycling paths, renovation of visitor centres, etc.) that have been prepared in cooperation with nature protection and culture protection authorities and adhere to the principles of EU Agenda for a sustainable and competitive European tourism such as: taking a holistic, integrated approach; planning for the long term; involving all stakeholders; recognizing, minimising and monitoring risks.

Proposed interventions related to preservation, restoration and revitalisation of cultural and natural heritage sites are expected to bring positive impacts on cultural heritage and also possibly on natural heritage sites. However, inappropriate implementation of these activities poses a risk of unintended adverse impacts on tangible and intangible attributes of heritage sites and on nature heritage sites.

The following measures can be taken in order to enhance positive environmental impacts of the proposed interventions:

- a. Ensure in the project preparatory phase, that no important and protected habitats and species (target features) are endangered by the planned infrastructure and activities.
- b. The supported projects must meet all applicable national rules for cultural heritage protection.
- c. It is also recommended to inform prospective applicants about the following principles that should guide their planning of interventions for sustainable use of cultural and natural heritage:
 - Conservation plans must contribute to the authenticity and integrity of the sites and monuments and their tangible and intangible elements.
 - Conservation plans must address all relevant factors necessary for adequate long-term safeguarding and sustainable use of the heritage site or monument.
 - The principal objectives of the conservation plans should be clearly stated. The proposals in the conservation plan must be articulated in a realistic fashion, from the legislative, financial and economic point of view, as well as with regard to the required standards and restrictions.
 - The conservation plans should aim at ensuring a harmonious relationship between the heritage sites and monuments and the surrounding environment as a whole. Wherever necessary for the proper protection of the property, an adequate buffer zone should be provided.
 - New functions and activities should be compatible with the character of the heritage sites and monuments. Proponents must ensure that such changes do not impact adversely on the outstanding value of the heritage site or monument.
 - Before any intervention, existing conditions in the area should be thoroughly documented.
 - Conservation planning should therefore encourage the active participation of the communities and stakeholders concerned with the property as necessary conditions to its sustainable protection, conservation, management and presentation.

Findings regarding Specific Objective 4.1.

The proposed programme's Specific Objective 4.1 **'To improve competitiveness of the programme area through strengthening cooperation between business support institutions, clusters, education and research organisations and entrepreneurs with aim to develop new products/services/patents/trademarks in the programme area'** will offer funding for strengthening capacities of the business support institutions in order to enhance competitiveness of the programme area through e.g.: development of e-business and e-trade; establishment of and support to existing and new business related sectorial networks and organisations in developing new products/services/patents/trademarks, standardisation, product protection, marketing and

development of cross-border markets, developing and strengthening cooperation between public sector, education, research & development organisations and entrepreneurs in order to improve competitiveness by applying business innovativeness based on smart specialization approach; and cross-border development, adaptation and exchange of best practices in application of new technologies, processes, products or services to be directly used by the enterprises between the clusters or groups of business, R&D and education institutions, etc.

These interventions are not expected to have any significant impacts on the environment. In order to enhance their potential positive environmental impacts, we recommend to prioritize support - if suitable applications for programme support arise - to business clusters that address opportunities arising from:

- producing and marketing organic agriculture products,
- waste management and waste reuse (e.g. waste from electronic equipment),
- water efficiency and water conservation systems;
- water-efficient irrigation systems;
- drought-resistant and other climate-resilient crops, etc.

Alternatives considered, uncertainties and the need for environmental monitoring

This SEA study has focused on the two alternatives - 'do nothing' and 'proposed programme'. Information provided within Chapters 5 and 6 of this study outline the expected impacts of proposed programme as compared with 'do nothing' option. The SEA was conducted in ex-ante manner during final 4 months of the programme elaboration. Within this context, the assessment aimed to identify possible problems and measures during the formulation of the programme itself - and indeed, several recommendations, especially those related to Priority Axis 2 were directly incorporated into the proposed version of the cooperation programme. In this regard, the Managing Authority and the programming team strived to optimize the cooperation programme so that it does not pose - on the level of the programme itself - any risks to environment and maximizes opportunities for achieving positive impacts on the environment. The recommendations provided within this SEA study should be treated as additional detailed safeguards to ensure that this happens.

The assessment itself has not been constrained by any difficulties, except facing the usual challenge of having no information about the exact features and locations of future activities that will be actually supported during the implementation of the cooperation programme. The assessment therefore considered the likely possible scenarios of possible implementation without being speculative (by e.g. considering extreme hypothetical options). Other than these usual challenges, there were no constraints in the SEA process and the conclusions made are not bound by any significant uncertainties.

Due to the absence of significant risks and uncertainties on the programme-wide level, the SEA study concluded that there is no need for dedicated environmental monitoring system for the proposed IPA CBC programme Croatia-Serbia 2014-2020.

However, joint environmental management initiatives under the programme Specific Objective 2.1 may provide useful data on biodiversity protection, water quality, flood risks and related hazards. Any proposals for

monitoring systems should be therefore consulted with the relevant national authorities in order to maximise potential synergies with higher-level monitoring systems.

Feedback sought

This SEA study is made available for public comments until 17 November 2014. Public hearings on the proposed cooperation programme and the accompanying SEA Study will be held on 12 November 2014 in Zagreb, Croatia and 13 November 2014 in Belgrade, Serbia.

Relevant authorities and the public can provide comments on any matters that they deem relevant. The Managing Authority for the IPA Cross-Border-Cooperation Programme Croatia-Serbia 2014-2020 and the authors of this SEA study will appreciate feedback on especially the following questions:

- 1. Does this SEA study address all main strategic environmental concerns which are relevant to the proposed programme – considering its focus and nature of the proposed interventions?**
- 2. Does the analysis of the baseline and impact assessment correctly capture key environmental risks, opportunities and other issues of strategic importance – and if not, what changes should be made?**
- 3. Do the proposed mitigation and enhancement measures suggest realistic and cost-effective arrangements for reducing the risks and/or for enhancing environmental benefits of the proposed programme – and if not, what changes should be made?**

Should you wish to obtain any clarifications or directly discuss any matters relevant to this SEA with the authors of this SEA study, please contact:

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ANNEX 1. EVALUATION APPROACH & METHODOLOGY

The European Commission's Directorate General for Regional and Urban Policy (DG REGIO) issued a “Guidance document on ex-ante evaluation” which clearly highlights that the role of ex- ante evaluations is reinforced in the new programming period 2014-2020. The Guidance document sets out qualitative expectations and gives recommendations on how to address the main components of an ex-ante evaluation, with a view to support national and regional authorities in charge of the programming as well as the independent external experts which are appointed to carry out ex-ante evaluations.

For the ex-ante evaluation of the IPA Crossborder Cooperation Programme Croatia – Serbia 2014-2020, an “Inception Report” was elaborated at the very beginning of the process. It described the overall procedural and methodological approach of the ex-ante evaluation and also the specific combination of methods and techniques applied at the level of the five mandatory evaluation components.

METHODS AND TECHNIQUES USED BY THE EX-ANTE EVALUATION

In order to fully meet the quality expectations as set out by the Commission's Guidance document, we combined the following methods and techniques which are mainly relating to theory-based evaluation and especially to Programme Theory:

- Document review and desk research were used as a starting point under all components and were complemented by direct interaction during Task force meetings and e-mail exchanges with key stakeholders directly involved in the programming process.
- Matrix-based assessment techniques were used under many components of the ex-ante evaluation in order to organise and compare complex sets of information and to make the evaluator's reasoning more systematic and transparent. They allowed to identify and qualify the extent to which the specific programme objectives are reflecting the identified EU-wide challenges/needs (appraisal of the consistency), the nature and scope of the interdependence relations and potential synergies existing between the specific programme objectives (appraisal of the internal coherence), the contribution of the specific programme objectives to other EU-wide policy strategies or programmes (appraisal of the external coherence) and helped to appraise the overall consistency of the programme's financial allocations.

Logical models were drawn up for the evaluation of the programme strategy and the appraisal of the programme-level indicator system. In the first case, a table-based logical framework was drawn up for every Priority Axis in order to examine its intervention logic (i.e. the vertical means-ends continuum) and the causality relation linking it to important assumptions underlying the future implementation and to potential risks that can negatively influence the realisation of the intervention strategy. In the second case, such models were drawn up for each specific programme objective in order to check the logical linkage of the proposed result and output indicators to other related elements such as the specific needs, the main types of intervention and the envisaged project-level actions.