

**OPERATIONAL PROGRAMME UNDER THE  
'INVESTMENT FOR GROWTH AND JOBS' GOAL**

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# **1. STRATEGY FOR THE OPERATIONAL PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION**

## **1.1 Strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion**

1.1.1 Description of the programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

### **Introduction**

The basis for OPCC 2014-2020 is the analysis of socio-economic circumstances, identified obstacles to growth and development needs in Croatia, in the context of the Partnership Agreement (PA), relevant EU and national strategies, their related targets and fundamental strategic provisions.

Analysis points to negative effects of economic recession whereby since 2008 the GDP level has decreased by more than 10%. Main challenges are low competitiveness of the economy, high unemployment, mismatch between the educational system and economy needs, insufficient economic and public services' infrastructure and services. Regional disparities are also present, caused by geographical and various socio-economic factors. Many key challenges need to be addressed in order to contribute to Europe2020 goals and 2014 and future National Reform Programmes (NRP).

Croatia is therefore committed to achieving faster and advanced smart growth, while sustainable and balanced economic and social development is needed to ensure acceptable quality of life in all regions, comparable to EU average.

OPCC is co-financed from the European Regional Development Fund (ERDF) and Cohesion Fund (CF), while its strategy is based on the concentration of investments into 9 thematic objectives (TOs 1, 2, 3, 4, 5, 6, 7, 9 and 10) of the Common Strategic Framework and their respective investment priorities (IPs), with further focus on specific objectives (SOs) to be achieved. Some OPCC actions are complemented by investments under OP Efficient Human Resources 2014-2020 (OPEHR), co-financed from the European Social Fund (ESF). The principle of supporting balanced regional development as a horizontal priority will also be applied.

The following sections contain a more detailed description of needs and challenges on the basis of which OP priority areas of investment have been defined, and their relation to EU2020 Strategy and other relevant strategic documents.

### **Research, Technological Development and Innovation**

Research institutions in Croatia possess good scientific potential and represent solid scientific base for development of competitive, innovation-driven economy. The vast majority of all scientists are employed in public sector which presents key research infrastructure available within the country. However, in order to achieve competitive, innovation-driven economy it is necessary to overcome several major problems recognized. Primary obstacles restricting the capacity of the research community to undertake excellent research, conduct economy driven research and to transfer results to the wider economy are related to the outdated and inefficient research infrastructure, lack of resources for conducting research, and underperformance of knowledge and technology transfer activities.

Outdated and scattered R&D equipment and underdeveloped infrastructure in the public and private R&D sector do not permit research to be carried out according to international standards, thus hindering the quality of research outputs, results and impacts, making Croatia less competitive compared to the EU average. This represents an obstacle to enhance the quality and availability of their services/research necessary for successful integration in the European Research Area (ERA) and on the international level. Lagging performances of R&D&I organizations are also a result of insufficient investment in R&D, specifically a basic lack of research funding. Gross expenditure in R&D as percentage of GDP in 2012 was 0.75%, in comparison to EU-28 average of 2.07% that resulted with less competitive and less collaborative R&D sector in Croatia. Therefore, Croatian research organizations are not able to conduct excellent and applied research that responds to the needs of the economy. Croatia is not performing well in relation to the scientific productivity indicator. Namely, according to platform Web of Science (WoS) except to relative growth of publications (2008-2011), in the last period 2012-2013 this number is decreasing (2,6%-4.4% annually). Moreover, overall patenting activity is low, compared to other member states, with PCT applications per billion GDP around 1/3 of EU average. Composite indicator "Intellectual property filings" has also decreased over last 3 years. This does not mean that new technologies are not being developed but rather that new technologies are not seeking protection through internationally recognised IPR system.

Regarding R&D activities of enterprises and in the context of EU 2020 Strategy, following identified problems should be solved: low quality and availability of RDI infrastructure in enterprises; weak environment for co-operation in R&D and promotion of R&D works results and innovations among enterprises and insufficient application of new technologies in the business sector.

Croatian medium and large enterprises invest more than 90% of private investments in R&D, while large enterprises invest highest portion, with more than 60% of R&D investments. Little less than 8% of private investments in R&D come from micro and small enterprises, thus showing their weak engagement in R&D activities which are considered to be too risky with the uncertain outcome. Due to the lack of public support for RDI activities and relatively low interest of enterprises, investments in RDI stagnated in the past years. In order to reverse the negative trends and stagnation, the use of ESI funds is envisaged; substantial support will be targeted towards private RDI investments covering support both for in house R&D activities of enterprises (including SMEs) and for purchasing R&D services to launch new or fundamentally changed processes and products. R&D activities, next to other activities related to innovations implementation in

enterprises are necessary for Croatian economy to become more competitive by increasing companies' productivity, accessing new, higher added-value markets and ultimately, leading to sustainable employment creation in the context of fierce global competition.

Needs and capacities of Croatian industry sectors with high potential for growth have been identified. The government facilitated creation of national competitiveness cluster for each of these sectors which served as a starting point under Smart specialization strategy (S3) elaboration process.

Problems identified above will be tackled with targeted R&D investments for priorities defined within the Smart specialization strategy (S3). In current draft of S3 priority thematic areas are: (i) health and quality of life, (ii) energy and sustainable environment, (iii) transport and mobility, (iv) security and (v) agro-food and bio-economy. S3 also recognised several important cross cutting themes: key enabling technologies (KET), ICT, engineering, tourism and creative and cultural industries. These areas show clear strengths in terms of competitiveness and R&D in Croatia, especially in relation to specific sub-areas, in which Croatia possesses clear competitive advantages in the international context, which should be fully exploited in order to bring benefits for the economy.

Supply side of R&D&I will be addressed through IP1a to produce results for needs of economy, creating link to investments planned within IP1b. In that context IP1a and IP1b investments are complementary, making PA1 coherent and covering all phases of R&D&I process. Investments will closely rely on lessons learned from previous RCOP 2007-2013 experience, thus representing further step in a direction already taken.

In conclusion, main funding priorities, to be tackled by public policy measures until the year 2020, in line with Partnership agreement and foreseen under Priority Axis 1 are:

- Restructuring R&D sector through organisational reform and investments in modernisation of R&D infrastructure;
- Supporting projects of national Centres of Research Excellence as a way of strengthening research excellence;
- Creating conditions for business sector to invest into R&D&I by directing research organisations to focus towards applied research projects which correspond to the needs of economy;
- Supporting R&D spending in enterprises to increase overall level of R&D spending;
- Creation of joint interest in implementation of R&D projects between R&D institutions (including academic sector), public authorities and enterprises;
- Creation of favourable environment for enterprises in the area of RDI.

### **Use of information and communication technologies**

In Croatia, ICT as a sector represents 4.2% of the total GDP, in which 2.2% of overall active population is employed. Croatia will seek to implement the ambitious targets set in the Europe 2020 Strategy and "Digital agenda for Europe" flagship initiative.

One of the main identified problems of Croatia in ICT sector is broadband penetration and NGN coverage levels, both lagging behind the EU average levels. Fixed broadband penetration was 21.7% in January 2014 (EU average was 29.8% in 2013). In 2013, 63.6% of households in Croatia had Internet access (EU average was 76% in 2013). Although Croatia has already achieved good basic broadband coverage (97% of population in 2013), total NGA network coverage in Croatia amounted to only 33% in 2013, which positioned Croatia far behind EU's average NGA coverage of 62% in the same year. Current level of NGA coverage is concentrated on few densely populated areas of Croatia. Considering this, significant number of households, public administration sites, educational and health care institutions, as well as small and medium enterprises is unable to access the high-speed broadband and use advanced IT services, thus hindering uniform regional development in Croatia and exploiting of socio-economic benefits related to the availability of NGA broadband networks.

According to technical and economic analyses performed by Government in 2012, at least 60% of Croatian population would not be commercially covered by NGN infrastructure, due to poor profitability prospects for NGN investments in areas with lower population density. In order to foster extension of NGN coverage to these areas, public funds shall be used for support of investments in NGN infrastructure (backhaul and access portion of network), to complement private investments by operators in white and grey NGN areas. There is no need to support investment in backbone network, as there is no market failure indicated there.

Study on funding models and support for investment in broadband infrastructure indicates that, in order to reach 100% national NGA broadband coverage and close the existing and foreseen coverage gap in unprofitable areas by 2020, investments of up to €1.286 million are needed. At least 29.8% of this amount is foreseen to be covered by private investments from operators, while remaining share of 70.2% shall be covered by public support, due to unprofitability of commercial NGN investments in suburban and rural areas. Public Private Partnership (PPP) investment model will be as well supported for deployment of NGA broadband networks, where ERDF funds will supplement private operators' funds, in order to leverage private operators' investment in commercially unprofitable areas (closing of profitability gap). It is envisaged that support from ERDF fund will contribute to extend NGN broadband coverage for at least additional 20% of Croatian households.

Main objective of Strategy for Broadband Development in the RoC for 2012-2015, and the new Strategy for 2016-2020 is to support development of nation-wide infrastructure for high-speed broadband Internet access (at least 30 Mbit/s) and services requiring high access speed, thus allowing the development and availability of digital society to all.

Detailed analysis of the Croatian public ICT sector has detected deficiencies which mostly concern inadequate and inefficient cost and investment management in the ICT public sector. Public ICT projects are mainly implemented by individual state administrative bodies, without systematic coordination or possibility to use common resources while concurrently many systems have small utilization percentages of the available ICT infrastructure. Majority of central state bodies use their own software and application solutions and data that are not accessible to other state bodies (unavailability

of data). There are no common solutions for same business processes or a system for integration of existing applications and data bases.

The Law on the State Information Infrastructure defines common elements for electronic services development including one government web site as single point of contact; common identification and authentication interface (in line with the EU STORK project), common user mailbox for citizens (e-Citizens project launched in 2014). An obligatory interoperability framework in line with the European interoperability framework, making the interconnection with Pan European e-services possible, has to be put in place.

Public e-services in Croatia are to a greater extent provided to companies than to citizens. Citizens have fully available 50% of basic public services via the Internet (in 2010), but compared to EU-27, Croatia is below average (EU27 81%). Only 30.8% of citizens communicated with public authorities through online applications in 2013 (EU-27: 50%). The level of provision and use of e-government and e-public services presently in Croatia is insufficient ("online accessibility" indicator for Croatia in 2013 amounted 57% while the average for EU27 was 74%). Institutions within public administration (particularly educational sector, land management, health care, justice, culture and tourism sector) and other public services are lacking digital data and possibility to exchange the information. ICT equipment and infrastructure necessary for networking and provision of e-services to the public is outdated and inadequate and needs to be further supported. Additional efforts for adaptation of e-services to special needs of different population groups and adjustment of e-content to ensure accessibility of services to everyone (including distant and remote locations, especially on the islands) are necessary.

Deployment of ICT is crucial element for better delivery of policy objectives to the whole population. Croatia has, at this point, identified need to develop e-services especially in the area of health, education, land management, justice, culture, tourism and inclusion, in order for state administration bodies to improve their policy delivery. Even though the Digital Growth Strategy (representing ex-ante conditionality) has not been drafted yet, strategic background and justification exists in sectorial strategies elaborating and emphasizing the importance of electronic media and implementation of ICT services and applications to deliver above mentioned policy objectives. Digital Growth Strategy will give direction for the development of e-services, with a clear prioritization and orientation to results and will elaborate incentives aiming to increase the usage of e-services (e.g. faster treatment of e-requests and cost reduction in comparison to classical counter service delivery).

Within the scope of the TO2 area, OPCC ERDF funding will be used to:

- address insufficient NGN broadband coverage of Croatian territory;
- improve insufficiently managed public ICT infrastructure; and
- to tackle lack of data and policy delivery together with the low availability of e-services.

Finally, in order to foster productivity in the private sector and public administration, enhancement of ICT equipment, development of e-services and NGN broadband infrastructure is not sufficient. Attaining the objective of enhanced use of ICT requires a combination that includes measures to improve digital skills that will be implemented within the framework of the Efficient Human Resources Operational Programme.

## **Business Competitiveness**

Small and medium sized enterprises (SMEs) make up 99.7% of the total number of enterprises in Croatia (92.2% are micro, 6.3% small and 1.2% medium-sized enterprises). The SME sector participates with 68.3% in total employment (1.03m persons) which is higher than the EU average, generating EUR 20.5 bn of value added (59%), which is at EU average, and 51% of GDP.

There are also differences in entrepreneurial activity and success, which varies between the two NUTS II regions, whereby Continental Croatia has 61.42% of small businesses and 66.87% of employment, while the Adriatic notes 38.58% of small businesses and 33.13% of employment. At NUTS III level, in Continental Croatia, the City of Zagreb, Zagreb County and Osječko-baranjska County have the highest entrepreneurial activity, while in the Adriatic Croatia entrepreneurial activity is highest in Splitsko-dalmatinska County, Istra County and Primorsko-goranska County.

Analyses performed in 2011 and in 2013 have shown that there is an on-going financing gap, meaning that a sizeable share of SMEs cannot obtain financing from banks, capital markets, nor other suppliers of finance. Banks are highly averse to risk which causes 79% of SMEs to use own cash flow and retained profit as their primary source of financing new investments. SMEs have particular difficulty in obtaining small loans (25,000-100,000 EUR) while 60% of SMEs lack sufficient collateral to obtain any form of bank finance. 54% of financial services and products offered are not tailored to SMEs needs and expectations and the level of interest rates is too high for 34% of them. Venture capital market is almost absent with insignificant equity at disposal and the network of business angels is weak and underdeveloped. An Ex-ante Assessment of Access to Finance Market Gap is being drafted and once completed, suitable and innovative instruments will be proposed.

SMEs at different stages of growth cycle need professional support provided by the business support organisations (BSOs). BSOs are often perceived as offering services that most SMEs cannot afford. Moreover, different needs for specialized support to SMEs have been identified in different regions of Croatia. BSOs however, have shown to have insufficient capacities to provide high quality services and up to date approach in tackling SMEs' problems. The demand from SMEs comes in terms of more specific and higher-order services and other forms of business support.

Further related concern is the status of entrepreneurship in Croatian society and the overall lack of entrepreneurial skills. The percentage of 18-24 year old employees involved in education and training is only 5.9% (2011) while the EU 27 average is 35.8%. Only 2.3% of total number of employed persons is engaged in continuous training and learning processes (EU27 average is 8.9%). According to the SBA, in 2013 Croatia was lagging behind the EU average in the status given to successful entrepreneurship (Croatia: 43.1; EU average: 65.5).

The need for improving entrepreneurial skills and the status of entrepreneurship will be addressed not only through promotional activities, but also through support offered to SMEs, creation of advanced business infrastructure and associated services offered to businesses (e.g. through incubators, industrial parks). Activities of the South Eastern European Centre for Entrepreneurial Learning (SEECCEL) will contribute also to the goals

of the Danube Strategy and regional cooperation in boosting entrepreneurial learning. SEECEL is based on the expression of need of the Western Balkans countries for institutionalisation of the regional dialogue and targeted cooperation in the field of entrepreneurial learning, within the SBA, under Principles 1 and 8.

The sector of tourism also needs to be especially pointed out since it presents an important driver of the economy and generates strong multiplying effects spilling over to other economic fields. In 2013, the share of tourism in the overall economy (GDP) was estimated at 16.5%, with international receipts totaling EUR 7.2 bn, significantly reducing Croatia's external trade imbalance, accounting for a third of Croatia's exports and two thirds of services exports. Moreover, 12.5 m arrivals and 64.8 m overnight stays were recorded in 2013, while permanent employees in tourism sector numbered 84,200 or 6.3 % of total employment.

SMEs in tourism struggle to overcome two fundamental problems: seasonality (80% of tourist traffic takes place within the period of three summer months) and a lack of diversified tourism products (resulting in low average consumption).

Decline in exports has been caused in great part by specific supply-side dislocations. According to the Croatian SME Observatory Report for 2013, the share of SMEs in total exports was 44%. Still, the negative trade balance of the SME sector shows that SMEs, especially growing ones, should improve their competitiveness both on domestic and the foreign markets. Internationalisation process requires a comprehensive set of instruments, covering access to information on foreign markets, including entry requirements and support to prepare expansion strategy including good marketing, sales and cooperation with foreign partners. Increasing efficiency of their production facilities, equipment and processes including ICT solutions, international standards and norms and overall capacities is necessary.

Networking and clustering can provide advantages to SMEs, especially regarding strengthening their value and production chains. There are over 500 enterprises participating in clusters in Croatia, employing over 25,000 employees. Most of these clusters are in the manufacturing sector, but tourism and agriculture are also well represented. In addition, there are 1,131 registered cooperatives (2013) with 19,309 cooperative members.

Regarding FDI, annual average net FDI flows plummeted from around 6% of GDP between 1999 and 2008 to 2% of GDP in the period 2010-13, exposing the risks of very limited amount of it being channeled into the tradable and productive sector. There is a need to reverse these circumstances and attract FDI into productive domestic assets and economic transformation, as well as to increase the impact of FDI in the SME sector.

Croatian SMEs do not invest enough in innovation in order to introduce new products and services onto the market. Croatia is considered a "moderate innovator" with the percentage of enterprises involved in innovation of 8% below the EU 27 average. Support will be provided to establishment of innovative start-ups, but also for the improvement of innovation potential and commercialization activities of existing SMEs, in particular in areas identified by S3 strategy.

OPCC interventions under TO3 will thus focus on investments into:

- promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators;
- provision of better access to finance for SMEs;
- enabling favorable environment for business creation and development;
- supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes;
- improving SMEs' development and growth and
- enhancing SMEs' innovativeness.

## Energy

As regards Croatian energy system its weaknesses and opportunities have been recognized and incorporated in detail in Croatian national Energy Strategy until 2020. In line with the latter and the EU 2020 strategy, one main goal is to increase the use of renewable energy sources (RES) and energy efficiency (EE), especially in final energy consumption, thus providing multiple benefits such as reduction of emissions, decrease in consumption and related expenses and increasing the security of supply; and provide opportunity for “green jobs” and technological /manufacturing development.

Croatia with 28.3 Mt of **greenhouse gasses (GHG)** GHG emissions in 2011 accounted for less than 0.1% in the world total GHG emissions while looking at the EU27 that share is 0.6%. Croatia, being the signatory of the Kyoto protocol, fulfilled the goal of reducing GHG emissions by 2012 to 95% compared to 1990; total GHG emission, excluding outflows, in 2011 was 10.3% lower compared to 1990. As for the trends, the GHG emissions dropped significantly in the 1991-1995 period due to the collapse of industry during the aggression against Croatia and Homeland War. From 1996 to 2007 emissions were steadily increasing; however as of 2007 the decreasing trend is again present. During the period 1990-2011 shares of individual gasses in the total GHG emissions remained steady: 73.9% CO<sub>2</sub>, 12.6% CH<sub>4</sub>, 12.4% N<sub>2</sub>O; 1.7% HFC and PFC and 0.05% SF<sub>6</sub>. In terms of GHG emission sources, the energy sector (including transport and industry) has the largest share (73.3%) followed by agriculture (14%), waste management (5%) etc. Out of the mentioned sectors in the recent (5-year) period only the waste management sector experienced an increase in GHG emissions due to the landfilling while the emissions in the energy and agriculture sector have downward trend, due to effects of economic crisis and increase in the RES production.

**Total primary energy supply** in Croatia in 2011 amounted to 383 PJ with a stable decreasing trend as of 2008 mainly due to the effects of economic crisis, and more than 80% of energy supply originating from fossil fuels (coal, oil, gas). Croatia is highly dependent (54%) on energy import with 282 PJ of energy being imported in 2011 (mainly oil and petroleum). 15.7% of the gross final energy consumption in 2011 was derived from the RES presenting constant growing path of **RES share in gross final energy consumption** starting from 12.2 in 2008, to 14.6 in 2010. However, large hydro power and biomass represent more than 90% of the mentioned share (with dominating position of large hydro power), followed by biofuels (5%), wind (2%) and sun / SHP/ geothermal (less than 1% each). In sectoral terms, over 34% of the final electricity consumption was produced from RES (but with just 2% of that share attributed to the

sources other than large hydro power) while for heating/cooling and transport sectors that share was significantly lower amounting to 12.8% and 1.4% respectively.

**(Electricity) energy distribution network** is characterised by regional differences in terms of number of users, total volume and characteristics of supply (e.g. seasonality); and by limited possibility for integration of additional capacity of RES. The current grid is characterised as old constructed in 1960s and 1970s), inefficient and unreliable with losses in the distribution network amounting to 9% out of total electricity consumption in the distribution level with need for improvement in overall regulation and management of the system and introduction of new technologies (smart grids). As regards **district heating system** it is on the one hand of limited coverage (provided in 18 cities with coverage of 10% of the total households) while on the other hand it is inefficient with high losses of both water and heat). Currently the results of the nationally funded EE measures in public lighting are being void by the growing number of consumption points i.e. leaving the consumption on the stable level (440 GWh/Year and 3% of the total electricity consumption).

In 2011, **energy consumption of an economy and its overall EE** (gross inland consumption of energy divided by GDP) was above EU27 average – 231 kgoe per EUR 1,000 compared to 138 kgoe per EUR 1,000. As for the EE, expressed in ODEX (ODEX is the index used in the ODYSSEE-MURE project to measure the energy efficiency progress by main sector (industry, transport, households) and for the whole economy (all final consumers)) the positive trend of 15.6% decrease of the ODEX in the economy as a whole was established in the 1995-2011 period. The fact that total energy supply is decreasing faster (decrease in 2011 for 6.8% compared to 2010) than consumption (decrease in 2011 for 2.5% compared to 2010) at the same time implies limited EE measures effects. At the sectoral level the main focus is on the buildings with the highest share in the energy consumption and a relatively high level of ODEX with slight increasing trend. As for the industry the sharp drop in the consumption is followed by a not as sharp decrease of ODEX while service sector is the one with most negative ODEX trend which implies potential for significant energy savings in both sectors.

In 2011 **final energy consumption** amounted to 280 PJ with stable decreasing trend over the period 2008-2011. The buildings (residential housing, public and commercial) have the largest share amounting to 43% in 2011. Out of that figure 2/3 is attached to the residential sector while 1/3 to the public and commercial sector. More than 80% of the buildings were constructed before 1987 (mainly in the 1940–1970) period and are of energy class D or lower i.e. being characterised as large consumers with average energy consumption range around 200 kWh/m<sup>2</sup> which is higher than in neighbouring EU countries, with cooling / heating accounting for 70% of the energy consumption in households. Coverage of smart metering systems and other smart energy technologies is still very limited. In 2011 share of transport in the final energy consumption was 33%, followed by 18% of industry sector with more than 65% energy consumed being the coal, liquid and gasses fuels. Also dominantly carbon based service sector had a share in the final energy consumption in the amount of 12% with a stable growth path in terms of its share, mainly due to the tourism sector.

OPCC interventions under TO4 will thus focus on promotion of RES and EE measures in sectors with largest share in the energy consumption, namely:

- Private sector, including both buildings and production process
- Public and residential buildings and public energy infrastructure (DHS and lighting)
- Introduction of new technologies in energy management, namely smart grids

Thusly this TO will contribute to the EU 2020 targets that have been transferred into the national targets as follows: a) National RES Action plan sets the 2020 goals of 39%, 10% and 19.6% share of RES in the in gross final energy consumption in electricity, transport and heating/ cooling respectively; and b) Third EE Action plan sets the overall energy saving target should be contributed 30% by households, 13% by services, 13% by industries and 44% by transport.

### **Climate Change and Risk Management**

Signs of **climate change** can be traced in Croatia as well: a) average air temperature raised steadily with 2001-2010 decade being the warmest in the recorded history, as well as increase in the number of extremely warm days, b) less intensive but steadily trend of reduction in the annual precipitation level, c) trend of evaporation compared to the air temperature and c) increased occurrence rate of extreme weather events. Having in mind the possible effects and its natural and economic environment, Croatia can be considered as highly endangered by the climate change.

As for the expected impacts of the climate change the localised climate change scenario (2011-2040 period) for Croatia shows the following: continuation of the average air temperature increase (higher in the coastal areas and islands) and with the continuous trend in decrease of precipitation with the biggest expected decrease in the autumn but with significant regional differences Besides sectors that are crucial for the economy (tourism and agriculture), existing water resources, ecosystems and infrastructure are also being threatened by the climate change effects, primarily the coastal zones and forests, the latter covering the 47% of the Croatian land. In addition, risk of weather-related disaster, particularly floods, are expected to increase due to the CC effects.

While the mitigation measures will be tackled through other TOs (particularly TO 4 with measures implemented in line with the 3rd NEEAP and Plan for Air Protection, Ozone Layer and Mitigation of Climate Change for Period 2014-2017), the adaptation of the living conditions and the economic environment to the climate change trends will have to be tackled more significantly in line with the objectives and priority investments determined in the National Adaptation Strategy due by the end of 2016.

In the meantime, The 6th National Report on Climate Change adopted in 2014 sets overarching framework and preconditions for the activities aiming at the adaptation to climate change effects primarily related to the modernization and finalisation of the system for climate change monitoring and forecasting, strengthening of applied research for adaptation measures and building awareness and capacities.

Although not all can be attributed exclusively to the climate change effects it must be stated that direct damages from the natural disasters amount to averagely more than EUR 200 mil yearly just for the floods, droughts and fires.

Concrete measures to reduce **disaster risks** and to improve prevention, preparedness and response to disasters will be identified on the basis of a national disaster risk assessment which is currently under preparation with a view to be completed by end 2015 and disaster risk reduction strategy. Even before the completion of the DRA it can be concluded that a) the current disaster management system needs to be further developed and b) specific risks must be tackled as soon as possible due to the level of damages and frequency of occurrence.

The existing hazard assessment predefined existing hazards in 4 zones and a need for 501 disaster management team members with adequate expertise and equipment in the area of firefighting, flood rescue, CBRN (Chemical – Biological – Radiological - Nuclear), logistics, USAR (Urban Search and Rescue), out of which 50 have been adequately trained so far.

Croatia has prepared a Hazard analysis on the basis of which, along with the inputs of the main Risk Assessment Working group (established for the preparation of the DRA) the number of risks has been reduced to 11 main risks, out of which in terms of damages the highest are attributed to the **floods** with 53% of the territory of the Republic of Croatia being designated as Areas of Potentially Significant Floods (APSFR) according to the Preliminary Flood Risk Assessment (PFRA). It has been observed that floods are occurring with an increased magnitude and frequency, not just regularly (almost every year), but also in the areas where they are not considered to be highly probable.

The first Flood Management Plan, as per Floods Directive, which includes flood hazard and flood risk maps for all APSFRs identified in the PFRA will be finalised by the end of 2015 and will be taken into account while preparing Disaster Risk assessment. From the documentation developed so far certain priority measures for investments in terms of floods risk management can be identified as follows: a) non-structural measures i.e. non-infrastructural activities aiming at improving overall floods risk management system and b) structural measures i.e. infrastructural measures for improving flood protection system.

OPCC interventions under TO5 will thus focus on investments into:

- Improvement of the system for monitoring and evaluation of climate change
- Improvement of the disaster management system
- Addressing priority risks primarily related to the floods magnet

### **Environmental Protection and Sustainability of Resources**

Existing waste management system can be assessed as ecologically unacceptable and unsustainable, characterised by the insufficient waste management facilities, high proportion of municipal / biodegradable waste being landfilled and low proportion of recycling of municipal waste (MW). In parallel, Croatia needs to tackle the legacy of inadequate WM in the past by remediation of municipal landfills, unofficial dumpsites and “hot spots”. All of these needs are clearly linked with the transitional periods for compliance with the EU waste directives set in the Accession treaty related to gradual reduction of a) share of BMW deposited on landfills and b) waste landfilled in existing non-compliant landfills.

The public waste collection system covers 99% of the population, but the overall system is focused on collection as such and landfilling. Namely in 2012, 83% of MW was landfilled (EU average is 34% while a small share was separately collected and recovered). There were 302 official non-compliant MW landfills out of which 113 were remediated by 2012 while additional 51 were under remediation. In addition to these unregulated MW landfills there is a around 3000 unofficial dumpsites (wild sites) out of which 750 were completely remediated. As regards modern WM and landfilling infrastructure Croatia is in process of establishing three new WM centres funded by EU assistance in the 2005-2013 period (WMC Bakarac, Marišćina and Kaštijun).

From 1997 to 2008 MW quantities increased by 76%. Although, in the period 2008-2012 MW quantities decreased by 7% in recent three years slight increasing trend is present again. In 2012, in total 1,670,005t of MW was produced i.e. 390 kg/inhabitant which is lower than EU average (503 kg/inhabitant). Out of that amount 23% was separately collected, however only 15% of the total MW has actually been sent for recovery. As of 2007, Croatia is enforcing specific legislation related to the separate collection and reuse of special categories of waste which showed good results in practice, especially the collection and recycling rate for packaging waste; however the overall recycling rate is relatively low. In terms of hazardous waste (HW) reported, average annual quantity is around 60,000t (66,000t in 2012), while it is estimated that the real amount of generated HW is around 213,000t. A significant proportion (66%) of generated HW relates to specific waste categories. Particular feature of the Croatian WM system is related to the 13 locations highly polluted by waste ("hot spots") i.e. sites created by long-term inappropriate management of industrial (technological) waste that poses threat not just to environment but also to human health. In conclusion, the WM system is characterised by the need of significant investment to comply with the relevant EU requirements..

The same type of need applies to the **water management** sector. While approximately 80% of population is connected to the public system (other 20% supplied from the so-called local water supplies or individually from own wells, cisterns, etc.), significant regional differences exist; connection rate being higher in the Adriatic basin (91%) than in the Black Sea basin (77%). Water usage efficiency index (ratio between delivered and abstracted water) is around 56% which implies high losses within the system of 44%. The problem with water quality exists in limited geographical scope related to the naturally caused problems with the level of iron, manganese, ammonia and arsenic that require more demanding water treatment process. On the other hand public sewerage system is not that developed with low connection level (connection rate of 44% of population) in comparison to most of the EU member states. Difference in connection rate is visible on regional level (being lower in the Dalmatian basin (31%)) but more in terms of size of settlements with rate at relatively satisfactory level only in the settlements above 10.000 inhabitants. In addition only 28% of the collected WW is being treated, but it must be noted that 1/3 of that percentage relates to the pre-treatment or primary treatment. As regards sea waters large majority is assessed to be of very good ecological status (top ranking) however the increasing number of pollution events can be observed over the last 5 years. This OP will address this issue primarily by securing measures to improve treatment of WW being discharged in the coastal waters. Finally all the measures within the water sector will stem and be in line with the WFD and River Basin Management Plan (current one for the period 2012-2015 and new one for the 2016-2021 that is due by the end of 2015) as an integrated document including all water

related measures and activities in order to achieve and/or maintain good water status. Water status monitoring network has been set up however not all points and all the required monitoring parameters are monitored.

Since cca. 160 public water services providers exist it is evident that sector is largely fragmented with the quality of services provided on different levels. Around 70 % of them are small companies with the annual distribution of less than 1 m<sup>3</sup>/m<sup>3</sup> of water (compared to 45 m<sup>3</sup>/m<sup>3</sup> as EU average) with insufficient human and technical capacities to prepare and implement projects in period 2014-2020.

In terms of **nature protection**, protected areas, particularly national and nature parks cover 8.56% of the total surface of Croatia (including 12.20% land territory and 1.94% of internal waters and territorial sea). Additionally, due to their specific richness certain sites are recognised by different international mechanisms and protection (UNESCO World Heritage Sites, UNESCO Man and the Biosphere Programme reserves, UNESCO Geoparks, Ramsar List). Croatian ecological network Natura 2000 ([www.natura2000.hr](http://www.natura2000.hr)) covers 36.67% of land and 16.39% of sea surface (total percentage: 29.38%) including all the national and nature parks. However continuous loss of biodiversity caused by loss of habitats, intake of alien species in ecosystems, pollution, urbanization, global climate changes and pressures from the economy is observed. Biodiversity data on the distribution of Natura 2000 species and habitats for marine waters under national jurisdiction are very scarce with no detailed marine habitat map as a prerequisite for conservation measures, important for the fulfilment of obligations regarding Habitats and Birds Directives, as well as Marine Strategy Framework Directive. Management planning so far it was mostly done for PA in 9 national categories, as well as for single protected species. For management of national ecological network established in 2007 (conceptually as a counterpart of Natura 2000), development of single site management plans and management responsibility was given to regional authorities which proved to be inadequate mostly due to poor human capacities and limited financial resources. Therefore setting up of EU Natura 2000 areas and sustainable management mechanisms, represent the most important obligations according to Art 6. of Habitats Directive for the protection of nature in Croatia. A specific aspect of the issue, is the presence of leftover minefields and UXOs. Of the total MSA in the country some 313 km<sup>2</sup>, over 50%, are within Natura 2000 sites. The problem is disproportionally present in forests and forestland (of the total MSA in Natura 2000, some 90% are forests). The mine and UXO contamination jeopardises sustainable and effective management of these sites through Forest Management Plans (being key instrument for sustainable forest management envisaged by the New EU Forest Strategy), leading to their degradation, inhibiting their conservation and diminishing their ecosystem services and the deployment of green infrastructure. In parallel such natural heritage provides opportunities for economic and social development primarily on the local level and related to the sustainable tourism.

Croatia has around 8000 goods on the list of protected **cultural heritage**, including seven sites inscribed on the UNESCO World Heritage List and 14 intangible phenomena on the UNESCO List of Intangible Heritage of Humanity. On the one hand, cultural heritage, due to its uniqueness and attractiveness presents a focal point for a brand/attraction with a biggest potential for a development programme in a given region while on the other, especially material, it is mostly degraded, endangered and not in use and the overall management of this type of heritage is not in line with economic goals, primarily with the

potential for job opportunities. Nevertheless, it must be mentioned that the opposite situation, i.e. over/inadequate exploitation of cultural heritage for economic purposes, mainly tourism, can be observed in limited number of sites. Therefore usage/revitalisation of cultural heritage will ensure the valorisation of the cultural heritage potential in a sustainable manner with the scope of providing economic benefits by enabling the creation of innovative services and products in relation to the cultural heritage, thus accomplishing the development and employment benefits as well as the social cohesion in the regions.

Although the general environmental condition can be assessed as good there are certain specific issues which are spatially limited and in most cases within urban areas, primarily relating to **the air quality and (physical) resource efficiency**. Therefore with the aim of contributing to the integrated and sustainable urban development, this TO will focus on: a) ensuring measures for improvement of the urban environment, primarily air quality in line with Directive 2008/50/EC since the other main environmental features such as waste and water are tackled within different IPs; In terms of air quality the majority of Croatia fall under Category I (clean or remotely polluted), however there are certain exceptions, exclusively in urban areas where air quality is of Class II or III (modestly or excessively polluted). These are the largest cities with pollution not just from industries but also from transport and some middle sized urban areas that have significant industrial plants (Kutina, Sisak, Sl. Brod). Also current air pollution monitoring and management system must be upgraded in line with Directive 2008/50/EC. b) to support exploitation of the existing potential such as abandoned infrastructure and facilities for economic and social purposes with the focus on the reconstruction of so called “brownfield areas” i.e. ex-military and industrial sites in most cases located in the urban centres. According to the data received from the cities there is around 400 ha (classified as) of brownfield in the areas included under ITI.

Finally as a horizontal priority issue of **administrative capacities** (inefficient organisational system, lack of employees and equipment, need for education and training etc.) on all levels in the energy and environment sectors will be tackled as a horizontal priority i.e. embedded in the sector specific activities and results.

Thus OPCC interventions under TO6 will thus focus on investments into:

- Improvement of the waste management system with the aim of decrease of waste being landfilled
- Improvement of the water management system with the aim of ensuring adequate drinking water and protection of water status
- Promoting sustainable usage of the cultural and natural heritage for the purpose of local development
- Assisting in setting up of EU Natura 2000 areas and protection, conservation and restoration of biodiversity
- Addressing specific environmental issues related to the air quality and regeneration of brownfields

### **Connectivity and Mobility**

The competitiveness of the Croatian economy is also negatively influenced by poor quality and maintenance of **public transport** options, a lack of comfortable and reliable

transport connections between and within regions, as well as an absence of multi-modal transport options and hence more environmentally friendly and safe means of transport. The limited capacity and lack of standardised management systems across Croatia's inland waterways results in a low level of utilisation of this transport mode and low levels of safety, with interconnectivity hampered by deficiencies in maritime ports and maritime carriers especially with regard to access to the islands. The geographical location of Croatia nevertheless means that the programme provides an opportunity to improve connections between the Adriatic and Mediterranean and the heartland of Europe through the modernization and development of transport infrastructure identified within the EU core and comprehensive TEN-T network and corridors. This will aid development of individual regions, promoting their integration both into the EU internal market and global economy, enhancing trade, accessibility and mobility and creating wealth and jobs.

Key principles established in the draft National Transport Strategy and of relevance in the wider EU transport and Cohesion policy contexts include environmental sustainability, accessibility and social inclusion, modal shift, improved interoperability whilst additionally prioritizing the connectivity with neighboring countries and interconnection within the wider EU TEN-T network. The OPCC priority axis focusing on TO7 will contribute to the first five of the six key objectives of the draft Transport Strategy for Croatia:

1. Improvement of transport connectivity and coordination with neighboring countries
2. Improvement of passengers' long distance accessibility inside Croatia
3. Improvement of passenger regional connectivity in Croatia and the promotion of territorial cohesion
4. Improvement of passenger accessibility to and within the main urban agglomerations
5. Improvement of freight accessibility inside Croatia
6. Improvement of the Organizational and Operational setup of the Transport System to enhance efficiency and sustainability of the system.

The focus of this priority will be on investment in transport infrastructure that is necessary for a modern, competitive and inter-connected European economy, facilitating the movement of goods and people not only across and within Croatia but to other parts of Europe, and improving the accessibility of towns and isolated areas to regional functional centers and enhancing territorial cohesion.

The identification of goals for the transport priority in the OPCC additionally reflects EU and national policy priorities in the field of transport. The EU White Paper on Transport identifies as a goal establishment of a Single European Transport Area that underpins European economic progress, enhances competitiveness and offers high quality, efficient and safe services on modern infrastructure whilst reducing its impact on the environment. It highlights the integration of modal networks or co-modality, structural changes to enable rail to compete effectively in medium and long distance freight and passenger markets, unlocking the potential of under-utilized inland waterways and clean urban transport. Therefore, significant effort should be set upon a 'core' network of corridors, which ensure efficient multi-modal links and European added-value.

Commission Position Paper highlights the unbalanced nature of Croatia's transport system with the focus for development over the last 15 years having been on motorways. Quality improvements are required in all other modes of transport as well as efforts to improve road safety, rail traffic management systems and interoperability, multi-modality and navigability of inland waterways.

The transport priority axis in the 2014-2020 OP will mark the continuation of the strategic goals established in the Transport OP for 2007-2013 (modernization of railway infrastructure and of the inland waterway system), ensuring consistency and alignment with EU funding to date in the transport sector in Croatia.

OPCC interventions under TO7 will thus focus on investments and main goals of this priority area which are as follows:

- to increase use and relevance of the rail network (CF);
- improve TEN-T road network and access to the TEN-T road network (ERDF);
- to increase the number of transported passengers in urban public transport (CF);
- improved accessibility of Dubrovnik by air (CF)
- to improve accessibility of the inhabited islands for residents (CF);
- to improve road safety in sections with high volume of mixed traffic (ERDF);
- to increase volume of freight traffic on inland waterways (CF).

### **Poverty and Social Exclusion**

Croatia has one of the highest rates of people at risk of **poverty or social exclusion** in the EU, which was 1,370,000 in 2012 and Croatia's goal is to decrease this number by 150,000 by 2020 in line with the NRP. The Strategy for Combating Poverty and Social Exclusion 2014-2020 defines "vulnerable groups" i.e. those at the highest risk of poverty and social exclusion, which throughout OPCC imply groups as defined in this strategy.

The **health sector** puts significant pressure on public expenditure. In 2012, Croatia spent 7.8% of its GDP on healthcare, among the highest for new EU members. Availability of care is often limited and uneven across the country, especially in rural areas, on islands, and in small towns, due to the structural lack of healthcare workers and other barriers to access such as expense and distance. In 2011 there were 281 physicians per 100,000 inhabitants, compared to EU average of 320/100,000.

Currently, hospital care in Croatia is primarily based on acute inpatient care, which is the most expensive modality. A shift to other modalities of hospital care is needed, with day hospital/day surgery and other less resource-intensive modalities of care identified in the National Plan for Development of Clinical hospital Centers, Clinical Hospitals, Clinics and General Hospitals in the Republic of Croatia 2014-2016 (NPDH) and included in the NRP. Vulnerable groups especially are affected by limitations in access to hospital care, caused by inefficient or undeveloped hospital services.

To increase the efficiency and effectiveness of hospital-based emergency medical service (EMS), conjoint emergency medical wards have been established in most of Croatian acute hospitals, with only few remaining without such wards. Also, in geographically isolated areas such as islands, where other health services are limited or non-existent,

effective EMS, which is currently underequipped for providing adequate care to both local inhabitants and tourists needs improvement.

The ESIF actions to be performed under priority axis 8 will contribute to strengthening the cost-efficiency of the health care system, which is subject to the country-specific recommendation for Croatia in the frame of the 2014 European Semester.

**Access to social services**, especially those in the community is limited across the whole territory of the Republic of Croatia. In order to intensify the process of deinstitutionalization and to prevent institutionalisation, the Plan for Deinstitutionalisation and Transformation of Social Welfare Homes and other Legal Entities Performing Social Welfare Activities in the Republic of Croatia 2011-2016 (2018) was adopted, with the purpose to reduce the entry in institutions and increase exit from institutions into new forms of care. This should be aligned with the development priorities of network services at the local level. Support to the development and broadening the network of community-based social services by all service providers (e.g. public, NGOs) is also a precondition for the sustainability of the process of deinstitutionalisation and these two processes are closely interlinked, influencing one another.

In 2012 there were 12.373 beneficiaries of social services, and 62% of them were in some form of institutional care. 68% of children and youth without adequate parental care were beneficiaries of institutional care. Regarding children and youth with behavioural disorders 35% of them were provided with services in institutional care, as well as 44% of persons with intellectual, physical or sensory disorders and 96% of persons with mental impairment.

In order to ensure the maximum accessibility to social services in the community across the whole country and to support process of deinstitutionalisation, there is a parallel on-going process of social planning on county level with County social plans being prepared. They should support the development of services that are lacking in certain areas and ensure the sustainability of deinstitutionalisation process as well support the right of all persons to have support in their local communities.

In line with the Plan of Deinstitutionalization and county local social planning, Operational Plan of Transformation and Deinstitutionalisation of Social Welfare Homes and other Legal Entities Performing Social Welfare Activities in Republic of Croatia was adopted, identifying the form of transformation of social welfare homes. The results of the process of deinstitutionalisation and transformation by end 2016 will be the basis for planning deinstitutionalisation and transformation process for the next period until 2020.

Also, social welfare centres have an important role in the preparation of the users and their families to return to family or in their referral to non-institutional forms of accommodation as well as in prevention of institutionalisation, supporting the process of deinstitutionalisation. They also connect social welfare beneficiaries to social services providers in the community.

Due to the insufficient capacity to provide personalized and integrated services especially for persons with disabilities, their needs have to be addressed in line with the European Disability Strategy 2010-2020, National Strategy of Equalization of Opportunities for

Persons with Disabilities and the United Nations Convention on the rights of the persons with disabilities (UNCRPD).

When the text mentions the war and its consequences, the term refers exclusively to Croatian Homeland War (1991-1995), just and legitimate, defensive and liberating war of Croatian citizens and its territory.

Very specific to Croatia is the fact of recent direct experience of the aggression against Croatia and the Homeland War (1991-1995) and subsequently the vulnerable groups at increased risk of social exclusion such as Homeland war veterans and victims, refugees, internally displaced persons (IDPs), returnees etc. When the text mentions the war and its consequences, the term refers exclusively to Croatian Homeland War, which was just and legitimate, defensive and liberating war of Croatian citizens and its territory. As the result of the aggression against Croatia, the 1/3 of Croatian territory was war-affected with majority of it occupied, more than 196,000 family houses and apartments and over 25% of the Croatian economy were destroyed, direct war damages are recorded in the amount of EUR 32 billion. More than 21,000 lives were lost, and 57,890 Croatian Homeland Veterans suffered organism damage greater than 20%.

Regarding the areas most affected by poverty, they correlate with those identified as assisted areas with the lowest development indices but sometimes hiding the important differences between areas in terms of poverty and social exclusion. For that reason the index of multiple deprivation based on the narrow set of available poverty-related data has been introduced to show the degradation of these areas. They are characterized by the unemployment and employment rates both by 10% higher than the Croatian average, over 10% of the population loss for the last 10 years to even 40% in the last 20 years, natural decrease of population of -3.44 (Croatian average is -2.15%), the vital index lower for 10 % (around 70 while Croatian average is 81), the majority of areas still coping with the war damages, etc. The new integrated approach Croatia intends to introduce in these areas will be less reactive than it was in the past and will contribute to better integration of different components such as jobs, infrastructure, environment, services and social support structures, as well as social inclusion. Also the pilot project approach has been adopted in order to concentrate and prioritize investments and achieve visible results in increasing development potential of identified areas. On the other hand, problems of poverty and social exclusion suffered by marginal communities such as Roma are specific and need to be tackled in an integrated manner.

### **Education, skills and lifelong learning**

Structural reforms in education and training should aim at modernizing outcome-based curricula and development of key and transversal competences as a pre-requisite for the participation in lifelong learning strategic objectives from Education and Training 2020. A new Croatian Education, Science and Technology Strategy 2014-2020 (ESTS), underlines these problems, following EC recommendation on the introduction of key competencies to the development and implementation of curricula. The National Framework Curricula (NFC) defines broad educational outcomes - humanities and the arts, health, safety and the environment, learning to learn, entrepreneurship and active citizenship.

Regarding **ICT in Education**, it is important to understand that both level of use as well as level of ICT equipment in Croatian schools varies substantially, while on average, ICT equipment is lacking and outdated, and frequency of use as well as teachers' ICT competences are below EU average (*Tesla u školi*, 2008; ICTedu, 2011; Survey of Schools: ICT in Education - A study prepared for the European Commission, 2013). ICT equipment should not be perceived as a goal, but as a tool that enables use of modern teaching methods and techniques, innovative teaching and learning practices that support student-centred learning, development of key transversal competences for the 21st century, critical thinking, collaborative and project based learning. That is why it is critical to carefully coordinate investments in ICT equipment with investments in teachers' professional development and e-content from OPEHR in order to ensure optimal effects in form of raised level of digital maturity of affected schools and school system in Croatia as a whole.

Although some small-scale equipping has been implemented in the pre-accession period, mostly in **vocational education and training (VET)** schools and adult education institutions, schools at pre-tertiary level are still not equipped with latest technologies and didactic and other specialized ICT equipment in order to be able to provide high-quality, relevant, modern and attractive education and training. Therefore, further investments in educational infrastructure are imperative. 70.7% of regular secondary education students (ISCED 3 and 4) in 2011 were enrolled in one of the VET programmes. More specifically, 43% were in 4-year VET programmes (based on equal proportion of general and professional competences, more theoretical and school based, enabling students to progress to tertiary education) and 26% were in a 3-year programme (based more on professional and practical competences in majority of VET programmes acquired through apprentices scheme). Therefore, majority of VET provision in Croatia is aimed at ensuring inclusion into labour market as well as to provide entrance into tertiary education. The largest proportion of the unemployed is persons with secondary level education - around 62 %). Educational data shows that the number of students enrolled in primary education as well as expected number of students in secondary education is significantly decreasing. Employer's attitudes obtained through the analysis conducted under one of the implemented IPA project (*Strengthening Institutional Framework for the Development of the VET Occupational Standards/Qualifications and Curricula*) show that only 1/3 of employers covered by the survey are satisfied with the level of competences young people have and that the crucial problem is the lack of practical skills needed for particular jobs. Implementation of those projects showed that almost 60% of total investment in the area of introducing new and innovative contents into VET schools was invested in vocational programmes in the following sectors: *agriculture, mechanical engineering, tourism –hospitality, electro technics and information technology and healthcare*. Having in mind that one of criteria was alignment with local-regional development, these sectors were recognized as prosperous in the context of contribution to further development of particular region. These sectors were also identified in the Smart Specialization Strategy. Therefore, the investments will be focused on VET schools preparing pupils for those segments of the labour market by establishing the network of sufficiently equipped VET schools accompanied with the high level of expertise among vocational teachers/mentors. This network will facilitate further development and harmonization of the education system to the labour market at regional level. The establishment of the network is one of the measures envisaged by the new SEST.

Regarding tertiary level, since the costs of living represent the highest share of total costs of studying, an insufficient number of student dormitories is an obstacle to access to higher education (HE). The annual cost of living for students who live in private accommodation is 80% higher than the costs of students living in dormitories. The rate of population aged 30-34 with tertiary level education of 23.7% (2012) is below the EU average of 35.8%(2012). The EU2020 national target regarding number of 30-34 year olds with tertiary education is 35%. So, measures need to be taken regarding improving access to HE and increasing completion rates. In academic year 2010/11, 520 students from gymnasium and 3.604 students from 4-year VET schools successfully passed state matura exams and fulfilled criteria for entering HE, but did not enrol into HEI. The existing capacities of student accommodation in Croatia are 10.722 beds. In the academic year 2013/14 4.625 students who applied for student accommodation and fulfilled the criteria, due to insufficient capacity, could not use it. Student accommodation capacity should be at least 10% of the total number of student population. 17% of EU students live in dormitories, and in Croatia only 6.69%. Several studies have suggested that only 59% of total students enrolled in HEIs in Croatia successfully complete their studies, while 41% of students drop out of studies, mostly in the early stages of study. Preliminary analysis shows that one of the main reasons for dropping out is insufficient resources to study.

### **Technical Assistance**

The present absorption levels of IP A and Structural and Cohesion Funds (SCF) in Croatia could be improved by strengthening administrative capacities. The capacities in terms of specialised administration, including adequate staff resources, both at national, regional and local level should be ensured for the administrations directly involved in the implementation and absorption of ESIF to be more efficient.

Appropriate and efficient implementation of ESIF co-financed programmes in Croatia requires an unprecedented administrative effort in the present and following period. The ministries and other public authorities involved have to be fully prepared to meet the challenge of effective delivery of the OPCC's objectives and a timely absorption of the funds. A well-functioning management, monitoring and evaluation system is a key success factor. The deployment of sufficient staffing as well as administrative and technical capacities is fundamental and a prerequisite for an actual functioning of the management and control system.

The Managing Authority of OPCC should be fully empowered to ensure strong coordination of and guidance to the Intermediate Bodies, to enable concentration and synergies while improving co-ordination and the strategic nature of the programmes and their effective implementation. Ownership of policy sectors should be strongly embedded in the relevant line ministries, in parallel with capacity building for policy design and delivery.

Existing weaknesses in the Croatian administration to ensure a proper level of implementation of the operational programmes will be supported through TA priority axis. The risk of insufficient capacity is higher under the SCF system than it was in IPA, given the shortage and turnover of staff, the need to adapt to new management procedures under the shared management system, including different and improved

procurement rules and procedures, a broader thematic scope of projects and expected heavier workload linked to the increase of funds.

IPA experience has demonstrated certain weaknesses in the administrative and technical capacities within the administration. Further efforts are necessary for an effective implementation of the plans to increase administrative capacity for future cohesion policy implementation, better strategic approach in the development of projects and a more mature project pipeline. Effective implementation of public procurement legislation is essential, both at national and local level. Risk of irregularities, fraud and corruption needs to be addressed as well.

Administrative costs and burden of the management and control system as well as of the beneficiaries will be cut by the use of the e-Cohesion solutions. The EU requirements on result-orientated monitoring and reporting require that sufficient monitoring skills are in place in the Managing Authority and other bodies in the Management and control system. The evaluation culture should be strengthened in the future period.

Among all of the issues presented above, ERDF TA allocation to OPCC will also be used to support the capacities of project beneficiaries, both in terms of information and advice on EU funding opportunities, as well as the preparation, tendering and implementation of the projects.

1.1.2 A justification for the choice of thematic objectives and corresponding investment priorities having regard to the partnership agreement, based on an identification of regional and, where appropriate, national needs including the need to address the challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and the relevant Council recommendations adopted in accordance with Article 148(4) TFEU, taking into account the ex-ante evaluation.

**Table 1: Justification for the selection of thematic objectives and investment priorities**

Selected thematic objective	Selected investment priority	Justification for selection
01 - Strengthening research, technological development and innovation	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	<p>In order to contribute to the <b>Europe2020</b> headline target and to achieve the increase of the total domestic expenses for development of R&amp;D to 1.4% of the GDP by 2020, which is the goal set up in the Croatian <b>Partnership agreement</b>, it is necessary to invest in R&amp;D infrastructure, capacities of research performance and its relevance to the economy conducted by HEIs/ROs and scientific excellence.</p> <p>This IP will contribute to the</p>

Selected thematic objective	Selected investment priority	Justification for selection
		achievement of the Pillar I, Topic I of the EUSAIR as well Priority III, PA 07 of EUSDR.
01 - Strengthening research, technological development and innovation	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	<p><b>Commission Position Paper</b> puts focus on creating conditions for increasing private expenditure on R&amp;D by strengthening RDI capacity of enterprises, enhancing cooperation with R&amp;D institutions and creation of institutional system supporting RDI activities of business sector. Assessment of needs and potentials in the <b>Partnership Agreement</b> shows that a major obstacle for increasing private spending in R&amp;D is weak innovation capacity of companies and R&amp;D potential, limited interest for collaboration between industry and R&amp;D institutions and inadequate institutional support system to foster innovation. According to 2014 NRP and CP <b>Country Specific Recommendations</b> the share of government co-funding in business R&amp;D expenditure was nearly zero in 2012. Use of ESIF for R&amp;D is recognized as a real prospect for increasing investments in RDI capacity in the coming years.</p> <p>IP 1b will contribute to the achievement of Pillar I, Topic I and II of EUSAIR and Priority III, PA 07 of EUSDR.</p>
02 - Enhancing access to, and use and quality of, information and communication technologies	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy	<b>Europe2020</b> underlines the importance of broadband deployment to promote social inclusion and competitiveness in the EU. One of the main priorities of <b>Digital Agenda</b>

Selected thematic objective	Selected investment priority	Justification for selection
		<p><b>Europe</b> is the reduction of the digital divide. As identified in the Commission Position Paper, Croatia is lagging behind EU average broadband penetration level, and its economy would benefit from improved access to next generation access networks. The main results that is to be achieved, as presented in the Partnership Agreement and reflecting country specific challenges is to improve NGN broadband communication infrastructure and access in underserved areas. <b>Economic Programme of Croatia 2013</b> includes measures for development of broadband access infrastructure to ensure efficient competition, accessibility of broadband services, and increase of the demand for broadband services and use of broadband access for citizens and economic entities.</p> <p>This IP will contribute to the achievement of the Priority III, PA 07 of EUSDR.</p>
02 - Enhancing access to, and use and quality of, information and communication technologies	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health	<p><b>Europe 2020 Strategy</b> underlines deployment and usage of modern accessible online services (e.g. e-government, online health, smart home, digital skills, security etc.). Commission Position Paper identified development of ICT and e-government applications (including e-health services) as a respond to economic and societal challenges as well as enhancement of innovation, the modernisation of public administration and access to the services by citizens and enterprises. Croatian Partnership Agreement acknowledges that the</p>

Selected thematic objective	Selected investment priority	Justification for selection
		<p>level of provision and use of e-public services is relatively low. Public e-services in Croatia are to a greater extent provided to companies than to citizens. At the same time, the deployment of ICT is becoming a critical element for better delivery of policy objectives. National Reform Program 2014 outlines the need for the implementation of ICT application as tool for policy and service delivery in all reform areas.</p>
<p>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</p>	<p>3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators</p>	<p><b>EC's In-Depth Review, Macroeconomic Imbalances Croatia 2014</b> points out that the European Commission and EIB are proposing an initiative to boost lending to SMEs, thus recognising the need for financial interventions.</p> <p>Supporting competitiveness of enterprises is also formulated as a funding priority in <b>the Commission Position Paper</b>, as is access to finance for SMEs and further development of higher value-added business support services. Enterprises should be supported during their lifecycle, aiming at an increased productivity and overall competitiveness.</p> <p>This IP will contribute to the achievement of the Pillar I, Topic I and Pillar IV, Topic 9 and 10 of the EUSAIR as well Priority III, PA 07 of EUSDR.</p>
<p>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for</p>	<p>3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in</p>	<p>Supporting modernisation and competitiveness of enterprises is the funding priority in the <b>Commission Position Paper</b>. Within the scope of</p>

Selected thematic objective	Selected investment priority	Justification for selection
the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	innovation processes	<p><b>Europe 2020 Strategy</b>, and flagship initiative <b>An Industrial Policy for the Globalisation Era</b>, stresses the importance of creating innovation conducive ecosystem. Croatian <b>SME Development Strategy 2013-2020</b> sets national strategic objectives on the track of relevant EU papers, and Croatian <b>S3 Strategy</b> investments in sectors with the highest growth potential.</p> <p>This IP will contribute to the achievement of the Pillar IV, Topic 9 and 10 of the EUSAIR as well Priority III, PA 08 of EUSDR.</p>
04 - Supporting the shift towards a low-carbon economy in all sectors	4b - Promoting energy efficiency and renewable energy use in enterprises	<p>Necessity to reach EU and national goals set by <b>Europe 2020 and Croatian Energy</b> strategy respectively, of 20% share of RES in gross final energy consumption and 20% reduction in primary energy consumption (and 20% reduction of GHG). Since energy use in the economic activities is characterised as largely carbon based and intensive both in industry and service sector, which has negative impacts on the energy / climate policies and targets but also reducing competitiveness of the enterprises, it is necessary to secure that enterprises contribute to the achievement of the RES (primarily 20% share in cooling/heating) and EE (19% in services) targets in order to comply with the EU 2020 objective but that will also reduce their costs and thus increase competitiveness. Both EC Position paper and Partnership Agreement stipulate the promotion of EE and RES use in the economic sector as priorities to be supported by ESIF.</p>

Selected thematic objective	Selected investment priority	Justification for selection
		This IP will contribute to the achievement of the Priority I, PA 02 of EUSDR.
04 - Supporting the shift towards a low-carbon economy in all sectors	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	With buildings being the largest consumer of the energy, this IP will be the main contributor to the <b>Europe 2020 strategy and Croatian Energy strategy</b> goal of 20% increase in EE by the 2020, since housing sectors (including residential buildings) are set as those where biggest savings are to be obtained (34%). Goal of increasing share of RES in the consumption will be contributed as well with particular emphasis in terms of providing independent solutions for energy supply thus contributing to the fulfilment of national targets for electricity production but particularly for production of energy for cooling/heating, but also to the security of supply, being one of the main goals at the EU and Croatian level. Similarly, investments in corresponding improvements of the public energy infrastructure (DHS and public lighting) will contribute to the more efficient usage of resources and reduction of GHG emissions. This IP will contribute to the achievement of the Priority I, PA 02 of EUSDR.
04 - Supporting the shift towards a low-carbon economy in all sectors	4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels	Current distribution system at low/medium level is largely out-dated, with insufficient usage of new technologies (very limited coverage of advanced/smart grids). Therefore the improvements within the system should contribute to the increased supply security level (as one of three main priorities of the <b>Croatian</b>

Selected thematic objective	Selected investment priority	Justification for selection
		<p><b>energy Strategy and Economic Programme</b>), but also to the more efficient management of (energy) resources and thereby reduced costs and GHG emissions thus contributing to the objectives set under the Resource efficient Europe flagship. In particular the grid improvements will allow for introduction of additional RES generation, and improving efficiency of energy system by its more efficient distribution and usage thus contribution to the Europe 2020 targets in the energy sector. These objectives are fully compliant with the EC Position paper which stipulates inter alia investment in grid access as a priority.</p>
05 - Promoting climate change adaptation, risk prevention and management	5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches	<p>Due to vulnerability of its natural and economic system, Croatia needs to take active measures in terms of adaptation to climate change which is one of the measures established under <b>Resource efficient flagship initiative of the Europe 2020</b>. This is also compliant with the EC Position paper which stipulates on the one hand support to the preparation and implementation of adaptation measures and on the other hand awareness raising and capacity building activities as priorities to be supported by the ESI funds. Therefore, for the beginning Croatia needs to focus on strengthening capacities for climate change adaptation measures, further research and understanding of climate change effects and subsequently implementation of investments addressing most urgent adaptation needs.</p>

Selected thematic objective	Selected investment priority	Justification for selection
		This IP will contribute to the achievement of the Priority II, PA 05 of EUSDR.
05 - Promoting climate change adaptation, risk prevention and management	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	<p><b>Europe 2020 strategy</b> stipulates the need to increase the economies' resilience to climate risks, and capacity for disaster risk reduction. Relevant sectoral strategies (National Protection and Rescue Plan, Water Strategy, Preliminary floods risk assessment) set the measures and goals that are in line with the above mentioned EU level objective. These objectives are fully compliant with the EC Position paper which identifies droughts, fires, water management (floods) and other identified major risks as priorities to be supported by the ESI funds, including fighting coastal flooding.</p> <p>This IP will contribute to the achievement of the Priority II, PA 05 of EUSDR.</p>
06 - Preserving and protecting the environment and promoting resource efficiency	6c - Conserving, protecting, promoting and developing natural and cultural heritage	Promoting sustainable growth i.e. economic growth linked with more efficient use of resources is a clear priority of the <b>EUROPE 2020 strategy</b> . On a national level the <b>Economic programme</b> sets the priority in terms of development of entrepreneurship in culture and creative industries, as well as investments in preserving cultural heritage with respect to their significant influence in the development of tourist activities, entrepreneurship in general and new job creation. Similarly the EC Position Paper highlights the need for enhanced protection, valorisation

Selected thematic objective	Selected investment priority	Justification for selection
		<p>and management of the (natural) cultural heritage while considering its touristic/business potential.</p> <p>This IP will contribute to the achievement of the Pillar III, Topic 7, Pillar IV, Topic 9 and 10 of the EUSAIR, as well as Priority I, PA 03 and Priority II, PA 06 of EUSDR.</p>
06 - Preserving and protecting the environment and promoting resource efficiency	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	<p>Sustainable urban development and urban reconstruction are identified as reform measure in the Croatian Economic programme. The measures relate inter alia with more efficient management of resources (physical space) and re-use of the abandoned city sites and improvement of environmental conditions within urban areas primarily quality of ambient air.</p> <p>This IP will contribute to the achievement of the Priority II, PA 06 of EUSDR.</p>
06 - Preserving and protecting the environment and promoting resource efficiency	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	<p>The <b>Accession Treaty</b> sets the transitional periods for compliance with the <b>EU waste directives</b> (Landfill of waste) in terms of gradual reduction of paper, glass, metal, plastic, construction and biodegrade waste on landfills by 2020 and a gradual reduction of waste landfilled in existing non-compliant landfills by 2018.</p> <p><b>Economic Programme</b> stipulates the need to significantly improve existing waste management system. The EC Position Paper also highlights the need for compliance with directives along with preparation of Waste management</p>

Selected thematic objective	Selected investment priority	Justification for selection
		<p>Plan and Waste Recovery programme as top priorities to be supported by the ESI funds.</p> <p>This IP will contribute to the achievement of the Pillar III, Topic 7 of the EUSAIR.</p>
<p>06 - Preserving and protecting the environment and promoting resource efficiency</p>	<p>6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements</p>	<p>The <b>Accession Treaty</b> sets the transitional periods for compliance with the <b>EU water directives</b> in terms of achieving targets for drinking water quality by end of 2018 and for adequate collection &amp; treatment of waste waters in the agglomerations above 2000 p.e. by the end of 2023. In addition the EC Position paper and the Partnership Agreement stipulate the integrated water management policy as top priorities for ESI funds while the sustainable water management is set as one of the reform measures in Economic programme.</p> <p>Implementation of measures in water sector supports also the objective of Water Framework Directive that includes the key element of the River Basin Management Plans (RBMPs) for Danube and Adriatic River Basins with incorporated Programmes of Measures to be implemented at basin level aimed at achieving / maintaining a good status of water bodies.</p> <p>This IP will contribute to the achievement of the Pillar III, Topic 7 of the EUSAIR and Priority II, PA04 of EUSDR.</p>
<p>06 - Preserving and protecting the</p>	<p>6iii - Protecting and restoring biodiversity and soil and</p>	<p><b>Europe 2020</b> sets the need for achieving biodiversity targets,</p>

Selected thematic objective	Selected investment priority	Justification for selection
environment and promoting resource efficiency	promoting ecosystem services, including through Natura 2000, and green infrastructure	covered by the EU 2020 Biodiversity Strategy and in overall relating to the reversing biodiversity loss and transition towards resource efficient economy. Further on priorities stem from the obligation of Croatia (as a new EU member state) to comply with requirements for biodiversity conservation (Birds and Habitats Directives) related to the designation and adequate management of Natura 2000 sites. The mentioned priorities are contained in the Strategy and Action Plan for the Protection of Biological and Landscape diversity of the Republic of Croatia and Economic programme. Finally EC position paper sets as priorities to be supported by the ESI funds measures related to establishment and management of Natura 2000 sites, restoration and preservation of habitats and land mines contamination. This IP will contribute to the achievement of Pillar III, Topic 7 and 8 of EUSAIR, and Priority II, PA 06 of EUSDR.
07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures	7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T	The <b>Integrated Guidelines</b> encourage Member States to develop the necessary physical infrastructure to improve the business and consumer environment. <b>The Green Paper on Territorial Cohesion</b> recognises the role of transport policy in improving territorial cohesion through improving connections to and within less developed regions, and ensuring urban and rural areas benefit from the transport network. The <b>Commission Position Paper</b> supports investment in creation of an integrated transport system

Selected thematic objective	Selected investment priority	Justification for selection
		<p>through the construction of road links to TENs to ensure regional connectivity to the core network and multi-modal nodes, stresses the need for eliminating bottlenecks and completing missing transport links and improved road safety. The TEN –T road network is mostly developed but suffers from bottlenecks when connecting regional centers.</p>
<p>07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures</p>	<p>7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes</p>	<p><b>Commission Position Paper</b> stipulates that in the road sector the emphasis should be placed on improving regional accessibility by improving road safety. The number of road fatalities still significantly exceeds EU average Major goal of the <b>National Road Safety Program</b> which is to achieve 50% reduction of fatalities by 2020 compared to 2010. This programme is aligned with the EU’s <b>4th Road Safety Action Programme 2010-2020</b>.</p> <p>This IP will contribute to the achievement of the Pillar II, Topic 5 of the EUSAIR, as well as Priority I, PA 01 of EUSDR.</p>
<p>07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures</p>	<p>7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T</p>	<p>EU TEN-T policy advances sustainable transport solutions which lead the process towards the achievement of the <b>EU's long-term transport policy</b> objectives (meeting future mobility needs while ensuring resource efficiency and reducing carbon emissions). <b>Commission Position Paper</b> stresses the need for eliminating bottlenecks and completing missing transport links. Development of a well-functioning intermodal</p>

Selected thematic objective	Selected investment priority	Justification for selection
		<p>transport system including the connection of inland waterways and ports with maritime ports and airports with other modes, and removal of bottlenecks in inland waterways are country-specific challenges that should be addressed through ESI investment. <b>The draft national transport strategy</b> of Croatia identifies the role that could be played by the currently underused inland waterways in the movement of freight across Croatia and Europe, and in enhancing connectivity within the Single European Transport Area.</p> <p>This IP will contribute to the achievement of the Priority I, PA 01 of EUSDR.</p>
<p>07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures</p>	<p>7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</p>	<p><b>The White Paper on Transport</b> states that cohesion policy support should be focused on sustainable forms of transport with a reduction of 60% of greenhouse gases by 2050 required by the transport sector. <b>2013 Economic Programme of Croatia</b> stipulates the development of transportation infrastructure as a priority in order to mitigate the effects on economic growth. Areas of Dubrovnik and the islands suffer from differential demand for transportation between the low and high season. With current infrastructure, the connections are insufficiently capable of dealing with peak flows and ensuring adequate access to services. <b>Commission Position Paper</b> notes that transport links in Croatian agglomerations do not enable sufficient mobility. Urban mobility systems need to be</p>

Selected thematic objective	Selected investment priority	Justification for selection
		<p>developed in major cities, based on urban development plans integrating all forms of transport, with sustainable and clean solutions as priorities.</p> <p>This IP will contribute to the achievement of Pillar II, Topic 5 of EUSAIR.</p>
07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures	<p><b>Commission Position Paper</b> recommends that in developing a balanced transport network in Croatia, priority should be given to the railway sector. Specific challenges identified include facilitating the shift of road freight transport to rail, modernizing existing rail corridors and ensuring interoperability, and developing a well-functioning intermodal transport system by investing in multi-modal and interoperable corridors and nodes, especially in the railway sector. This is in line with the <b>White paper on Transport</b> which considers the modal shift for freight from road to rail to be a key goal. <b>2013 Economic Programme of Croatia</b> aims to create a single interoperable railway system and the improvement of the railway transport as one of the reform measures. The general poor condition of rail infrastructure and stock has led to a trend whereby the sector suffers a consistently declining share of modal split.</p> <p>This IP will contribute to the achievement of Pillar II, Topic 5 of EUSAIR.</p>
09 - Promoting social	9a - Investing in health and social	Croatia has one of the highest rates

Selected thematic objective	Selected investment priority	Justification for selection
inclusion, combating poverty and any discrimination	infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	<p>of people at risk of poverty and social exclusion in EU, amounting to 1,370,000 people or 32.3% of total population in 2012. Croatia's goal in line with <b>National Reform Programme</b> is to decrease it by 150,000 by 2020. A large number of beneficiaries of the social welfare system are also in some form of institutional care.</p> <p><b>Commission's Position Paper</b> puts focus on access to affordable, sustainable, high-quality health and social services, transition from institutional to community-based care and reduction of inequalities in access, especially for vulnerable groups.</p> <p>Investments will focus on expanding and diversifying such services and making them more accessible. In order to support social inclusion and the right of people to life in the community, investments to support deinstitutionalisation process of services and broadening the network of community-based services will be financed through ERDF, ESF and EAFRD in a complementary manner.</p>
09 - Promoting social inclusion, combating poverty and any discrimination	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Croatia has one of the highest rates of people at risk of poverty and social exclusion in EU, amounting to 1,370,000 people or 32.3% of total population in 2012 and Croatia's goal according to the <b>National Reform Programme</b> 2014 is to decrease it by 150,000 by 2020. Specific and complex needs of degraded areas require integrated investments, contributing to the reduction of poverty and social

Selected thematic objective	Selected investment priority	Justification for selection
		exclusion.
10 - Investing in education, training and vocational training for skills and lifelong learning	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	<p>Integrated guidelines invite Member States for "improving the quality and performance of education and training systems at all levels".</p> <p><b>EU2020</b> establishes the headline targets for education and lifelong learning development:</p> <ul style="list-style-type: none"> <li>• Reducing early school leaving to less than 10%,</li> <li>• At least 40% of 30-34-year-olds completing tertiary or equivalent education.</li> </ul> <p>The flagship EU2020 initiative "<b>An agenda for new skills and jobs</b>" sets forth that development of educating infrastructure is required in order to reach the skills development and their suitability objective.</p> <p>To improve skills level of the population, address the challenge of matching labour market skills demand and supply, improve vocational education and training outcomes and enhance participation in the education system is the funding priority for ESI Funds, formulated in the <b>Commission Position Paper</b>. Funds should invest in improving the quality, efficiency and openness of the education system</p>

## 1.2 Justification for the financial allocation

Justification for the financial allocation (Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

OPCC 2014-20 ESIF allocation is 6.8bn EUR, presenting significant means of addressing the needs and opportunities within critical policy sectors of Croatia's socio-economic development. ERDF allocation is around 4.3bn EUR, combined with 2.5bn EUR of CF.

These commitments per each Priority Axis (PA) respectively, are consistent with the foreseen thematic concentration on a limited number of thematic objectives (TOs) and investment priorities (IPs), with focus on achieving set specific objectives (SOs), in order to maximise the contribution to Cohesion policy and Europe2020's goals and reach critical mass of support.

The required financial resources at IP level are driven not only by applicable provisions on thematic concentration, regarding both of Croatia's less developed regions, but also by strategic objectives of the national development plans, regional development policies and sectoral strategies. The decisions on the funding priorities have also been shaped on the results achieved during 2007-13 and the challenging financial and economic context. Estimates of the costs of implementation and administration of proposed activities have also been taken into account.

Under OPCC, about 57% of ERDF resources are allocated to supporting R&D, technological development and innovation, the digital agenda, the competitiveness of SMEs, and the shift to low-carbon economy, which presents about 12% of SF allocation to Croatia.

Under PA1, 15.4% of total ERDF funding under OPCC will be allocated to respectively TO1 IPs: 1a and 1b. Spending will contribute to the achievement of the national RDI headline target, increase the investments in R&D to 1.4% of GDP by 2020 and will be aligned with strategic objectives to improve R&D rate of return and innovation performance and achieve measured productivity growth.

Under PA 2, 7.2 % of ERDF under OPCC will be allocated to respectively TO2 IP 2a where spending will be focused on upgrading the existing broadband speed, to increasing the number of backhaul NGN connection points in target areas and of households taking up broadband subscriptions, thus directly contributing to the fulfillment of the Digital Agenda Europe (DAE) targets for high-speed broadband coverage till 2020; and to IP 2c, contributing to the achievement of a DAE goal and reflecting on Commission's recommendations to invest in ICT and e-government, to respond to economic and societal challenges, enhancing innovation and modernisation of public administration and access to services by citizens and enterprises.

Under PA3, 22.4% of total ERDF funding under OPCC will be allocated to IPs 3a and 3d. Focus will be on greater levels of business investments, creating jobs and increased contribution to export earnings by SMEs, the majority of allocation focusing on direct support to SMEs through financial instruments, grants, advisory and training services, and a smaller portion to improve the BSOs' services and physical infrastructure. Planned investments are aligned with the Commission's recommendations and national SME

Development Strategy 2013-20, set on improvement of the economic activity of SMEs, bridging the financial gap, development of new and supporting active businesses, enhancement of entrepreneurial skills and environment in the sense of ensuring adequate business support services, networking, clusters and ICT uptake.

Under PA4, 12.3% of total ERDF funding under OPCC will be allocated to TO4's IPs: 4b, 4c, and 4d. The amount corresponds to the requirement to allocate at least 12% of ERDF allocation on TO4 (for less developed regions). The focus of activities and correspondingly financial allocation will be on IP 4c, dedicated to energy efficiency and RES measures in public infrastructure (including residential buildings), i.e. activities directly related to the fulfillment of obligation from the Energy Service Directive and to the fulfillment of the Europe2020 headline targets related to the share of RES and decrease in energy consumption.

Under PA5, 5.7% of ERDF funding will be allocated to TO5 IPs: 5a and 5b. This PA encompass on the one hand development of the disaster management system and on the other hand addressing certain priority risks. All activities aiming to reduce major identified risks will be in line with targets and objectives of the Risk Assessment.

Under PA6, 7.8% of ERDF and 64.4% of CF funding will be allocated to TO6 IPs: 6i, 6ii, 6c, 6iii and 6e. PA6 has the largest allocation under OPCC, since it is mainly acquis compliance based with the majority of resources dedicated to the IPs directly linked with the fulfillment of EU provisions in the water and waste management sectors and nature protection (Natura 2000). The largest share of financing will be dedicated to water supply, sewerage and waste water treatment due to the fact that the water sector requires the biggest investments in order to ensure compliance. Despite high resources available under OPCC, additional resources will be needed, with part of them already being secured and implemented via loans by IFIs.

Under PA7, 9.25% of ERDF and 35.6% of CF funding will be allocated to IPs: 7i, 7b, 7ii and 7iii. Financial distribution reflects the priority of decreasing greenhouse gas emission in line with Europe2020 and Commission's recommendations. Majority of financial resources under this PA will be allocated to investments in railways, regional roads, clean public and urban transport. Complementary to the mentioned allocation, around 450 MEUR of CF will be invested in the railway sector under the Connecting Europe Facility.

Under PA8, 8.3% of ERDF is allocated to TO9. The largest share will be dedicated to TO9 IP9i. Health and social care sectors, due to the process of deinstitutionalisation, requiring investments to contribute to the fulfillment of national plans. Regarding regeneration of deprived communities, models for implementation of integrated actions need to be piloted for a full roll-out to begin. In complementarity with the ESF interventions, activities under TO9 will contribute to the national headline target regarding the number of people at risk of poverty.

Under PA9, 6.3% of ERDF funding will be allocated to TO 10, IP 10i. Together with those envisaged under the ESF, interventions under TO 10 will contribute to national headline targets regarding share of population in connection to early school leaving and with completed tertiary education, areas also recognised by the Commission.

Allocation to PA10 Technical Assistance (TA) is 5.5% of ERDF. Although there is experience with TA in earlier EU funded projects, growing needs due to an increasing number of bodies in the 2014-20 system are a clear indicator that building of capacities will be the main concern of PA10, both at national and regional level.

**Table 2: Overview of the investment strategy of the operational programme**

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme-specific result indicators for which a target has been set
1	ERDF	664,792,165.00	9.66%	<ul style="list-style-type: none"> <li>▼ 01 - Strengthening research, technological development and innovation                             <ul style="list-style-type: none"> <li>▼ 1a - Enhancing research and innovation (R&amp;I) infrastructure and capacities to develop R&amp;I excellence, and promoting centres of competence, in particular those of European interest                                     <ul style="list-style-type: none"> <li>▼ 1 - Increased R&amp;D capacities of R&amp;D sector to perform excellent research and to serve the needs of economy</li> </ul> </li> <li>▼ 1b - Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies                                     <ul style="list-style-type: none"> <li>▼ 1 - Increased development of new products and services resulted from R&amp;D activities</li> <li>▼ 2 - RDI activities of business sector increased through creation of favourable innovation environment</li> </ul> </li> </ul> </li> </ul>	[1a11, 1b1.1, 1b1.2, 1b2.1]
2	ERDF	307,952,676.00	4.48%	<ul style="list-style-type: none"> <li>▼ 02 - Enhancing access to, and use and quality of, information and communication technologies                             <ul style="list-style-type: none"> <li>▼ 2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy                                     <ul style="list-style-type: none"> <li>▼ 1 - Development of NGN broadband infrastructure in areas without sufficient commercial interest for investments in NGN broadband infrastructure, for maximum increase of social and economic benefits</li> </ul> </li> <li>▼ 2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health                                     <ul style="list-style-type: none"> <li>▼ 1 - Increase of the use of ICT in communication between the citizens and public administration through establishment of ICT coordination structure and software solutions</li> </ul> </li> </ul> </li> </ul>	[2c11, 2c12, 2a11]
3	ERDF	970,000,000.00	14.10%	<ul style="list-style-type: none"> <li>▼ 03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)                             <ul style="list-style-type: none"> <li>▼ 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and</li> </ul> </li> </ul>	[3a11, 3a21, 3a22, 3d11, 3d12, 3d21]

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme-specific result indicators for which a target has been set
				fostering the creation of new firms, including through business incubators <ul style="list-style-type: none"> <li>▼ 3a1 - Better access to finance for SMEs</li> <li>▼ 3a2 - Enabling favorable environment for business creation and development</li> <li>▼ 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes               <ul style="list-style-type: none"> <li>▼ 3d1 - SMEs' development and growth improved in domestic and foreign markets</li> <li>▼ 3d2 - SMEs innovativeness enhanced</li> </ul> </li> </ul>	
4	ERDF	531,810,805.00	7.73%	<ul style="list-style-type: none"> <li>▼ 04 - Supporting the shift towards a low-carbon economy in all sectors               <ul style="list-style-type: none"> <li>▼ 4b - Promoting energy efficiency and renewable energy use in enterprises                   <ul style="list-style-type: none"> <li>▼ 4b1 - Increasing energy efficiency and use of RES in manufacturing industries</li> <li>▼ 4b2 - Increasing energy efficiency and use of RES in private service sector (tourism and trade)</li> </ul> </li> <li>▼ 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector                   <ul style="list-style-type: none"> <li>▼ 4c1 - Reduction of energy consumption of the public sector buildings</li> <li>▼ 4c2 - Reduction of energy consumption of the residential buildings (multi apartment buildings and family houses)</li> <li>▼ 4c3 - Improvement of the efficiency of the district heating system</li> <li>▼ 4c4 - Improvement of the efficiency of the public lighting system</li> </ul> </li> <li>▼ 4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels                   <ul style="list-style-type: none"> <li>▼ 4d1 - Pilot Introducing smart grids</li> </ul> </li> </ul> </li> </ul>	[4d11, 4c11, 4c21, 4c31, 4c41, 4b11, 4b12, 4b21, 4b22]
5	ERDF	245,396,147.00	3.57%	<ul style="list-style-type: none"> <li>▼ 05 - Promoting climate change adaptation, risk prevention and management               <ul style="list-style-type: none"> <li>▼ 5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches                   <ul style="list-style-type: none"> <li>▼ 5a1 - Improvement of climate change monitoring, forecasting and planning of adaptation measures</li> </ul> </li> </ul> </li> </ul>	[5b11, 5b12, 5a11]

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme-specific result indicators for which a target has been set
				<ul style="list-style-type: none"> <li>▼ 5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems <ul style="list-style-type: none"> <li>▼ 5b1 - Enhancement of the national disaster management systems</li> </ul> </li> </ul>	
6	ERDF	338,020,392.00	4.91%	<ul style="list-style-type: none"> <li>▼ 06 - Preserving and protecting the environment and promoting resource efficiency <ul style="list-style-type: none"> <li>▼ 6c - Conserving, protecting, promoting and developing natural and cultural heritage <ul style="list-style-type: none"> <li>▼ 6c1 - Increasing employment and tourist expenditure through enhancing cultural heritage</li> <li>▼ 6c2 - Increasing attractiveness, educational capacity and sustainable management of natural heritage sites</li> </ul> </li> <li>▼ 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures <ul style="list-style-type: none"> <li>▼ 6e1 - Upgrade of air quality management and monitoring system according to 2008/50/EC directive</li> <li>▼ 6e2 - Rehabilitation of brownfields (ex-industrial and / or ex-military sites) within ITI</li> </ul> </li> </ul> </li> </ul>	[6e11, 6e21, 6c11, 6c12, 6c21, 6c22, 6ca11, 6cb11, 6cb23, 6cb24, 6cc11, 6cc21, 6cc22, 6cc31]
6	CF	1,649,340,216.00	23.97%	<ul style="list-style-type: none"> <li>▼ 06 - Preserving and protecting the environment and promoting resource efficiency <ul style="list-style-type: none"> <li>▼ 6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements <ul style="list-style-type: none"> <li>▼ 6i1 - Decreased amount of waste being landfilled</li> </ul> </li> <li>▼ 6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements <ul style="list-style-type: none"> <li>▼ 6ii1 - Improvement of the public water supply system with the purpose of assuring quality and safety of drinking water supply</li> <li>▼ 6ii2 - Development of wastewater collection and treatment with the aim to contribute to improvement of water status</li> </ul> </li> <li>▼ 6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure <ul style="list-style-type: none"> <li>▼ 6iii1 - Improved knowledge on the state of biodiversity as a basis for effective monitoring and management of biodiversity</li> </ul> </li> </ul> </li> </ul>	[6e11, 6e21, 6c11, 6c12, 6c21, 6c22, 6ca11, 6cb11, 6cb23, 6cb24, 6cc11, 6cc21, 6cc22, 6cc31]

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme-specific result indicators for which a target has been set
				<ul style="list-style-type: none"> <li>▼ 6iii2 - Setting up the framework for sustainable management of biodiversity (primarily Natura 2000)</li> <li>▼ 6iii3 - Demining, restoration and protection of forests and forest land in protected and Natura 2000 areas</li> </ul>	
7	ERDF	400,000,000.00	5.81%	<ul style="list-style-type: none"> <li>▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures <ul style="list-style-type: none"> <li>▼ 7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T <ul style="list-style-type: none"> <li>▼ 7a1 - To improve the TEN-T road network and access to the TEN-T road network</li> </ul> </li> <li>▼ 7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes <ul style="list-style-type: none"> <li>▼ 7b1 - To improve road safety in sections with high volume of mixed traffic</li> </ul> </li> </ul> </li> </ul>	[7cc11, 7cc12, 7a11, 7b12, 7b13, 7b14, 7ca11, 7cb11, 7cb12, 7cb13]
7	CF	910,205,755.00	13.23%	<ul style="list-style-type: none"> <li>▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures <ul style="list-style-type: none"> <li>▼ 7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T <ul style="list-style-type: none"> <li>▼ 7i1 - To increase the volume of freight traffic on inland waterways</li> </ul> </li> <li>▼ 7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility <ul style="list-style-type: none"> <li>▼ 7ii1 - To improve accessibility of the inhabited islands for residents</li> <li>▼ 7ii2 - To increase the number of transported passengers in urban public transport</li> <li>▼ 7ii3 - Improved accessibility of Dubrovnik by air</li> </ul> </li> <li>▼ 7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures <ul style="list-style-type: none"> <li>▼ 7iii1 - Increased use and relevance of the rail network</li> </ul> </li> </ul> </li> </ul>	[7cc11, 7cc12, 7a11, 7b12, 7b13, 7b14, 7ca11, 7cb11, 7cb12, 7cb13]
8	ERDF	356,500,000.00	5.18%	<ul style="list-style-type: none"> <li>▼ 09 - Promoting social inclusion, combating poverty and any discrimination <ul style="list-style-type: none"> <li>▼ 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based</li> </ul> </li> </ul>	[9a11, 9a21, 9a31, 9a41, 9b11]

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme-specific result indicators for which a target has been set
				services <ul style="list-style-type: none"> <li>▼ 1 - Improving access to primary and emergency health care, with focus on isolated and deprived areas</li> <li>▼ 2 - Improving cost-efficiency and access to hospital care</li> <li>▼ 3 - To promote social inclusion and reducing inequalities by transition from institutional to community-based services through improved social infrastructure</li> <li>▼ 4 - To implement pilot actions aiming to promote social inclusion and reduce poverty for the war veterans and war victims</li> <li>▼ 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas               <ul style="list-style-type: none"> <li>▼ 1 - Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty</li> </ul> </li> </ul>	
9	ERDF	270,914,791.00	3.94%	<ul style="list-style-type: none"> <li>▼ 10 - Investing in education, training and vocational training for skills and lifelong learning               <ul style="list-style-type: none"> <li>▼ 10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure                   <ul style="list-style-type: none"> <li>▼ 1 - To develop digitally mature schools ready to use the potential of ICT in education and development of 21st century skills needed on the job market</li> <li>▼ 2 - Modernization, improvement and expansion of accommodation infrastructure in higher education to improve access and completion for disadvantaged students</li> <li>▼ 3 - Increasing relevance of vocational education by improving the conditions for the acquisition of practical skills in targeted sectors of vocational education in order to achieve better employability of VET students</li> </ul> </li> </ul> </li> </ul>	[10a11, 10a21, 10a31]
10	ERDF	236,112,612.00	3.43%	TA1 - Ensuring adequate and efficient human capacities for the implementation of the operational programme TA2 - Support to efficient implementation, monitoring and evaluation of the programmes TA3 - Support to information, publicity and building the capacities of (potential) beneficiaries for project preparation and implementation	[TA1.1, TA2.2, TA2.1, TA3.1]

## 2. PRIORITY AXES

### 2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

#### 2.A.1 Priority axis

<b>ID of the priority axis</b>	1
<b>Title of the priority axis</b>	Strengthening the Economy through Application of Research and Innovation

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)**

#### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	1a
<b>Title of the investment priority</b>	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1
<b>Title of the specific objective</b>	Increased R&D capacities of R&D sector to perform excellent research and to serve the needs of economy
<b>Results that the Member States seek to achieve with Union support</b>	<p>The objective is to foster a research system open to innovation, responsive to the needs of the economy, excellent by performance and attractive to best talents . More specifically, this specific objective aims at enhancing research organisations' capacities for performing excellent research for further flow of knowledge and skills that can effectively contribute to social development and economic growth, notably in S3 priority areas and cross-cutting themes.</p> <p>In order to achieve the above specified objective, interventions will aim at: (i) strengthening organizational reform and infrastructural capacities of research organizations (ii) supporting Centres of research excellence (CoRE) to conduct research beyond individual scientific results, at the highest level in terms of measurable scientific production and technological innovation and (iii) supporting investments towards applied research projects and linkages between science and business sector through Knowledge Translation and Transfer (KTT) activities.</p> <p>Low number of scientific results is caused by low quality of research equipment and related infrastructure, inadequate use of scientific potentials (human resources), organisational barriers and low quality of conducted research. With actions that will tackle all components mentioned above, the key obstacles to conduct top quality research activities in public and private research organizations (ROs) in Croatia will be reduced, thus creating more efficient R&amp;D system that is internationally competitive, open to cooperation on national and international level.</p> <p>National Centres of Research Excellences (CoRE) will focus on conducting research projects in priority S3 areas or cross-cutting themes that will have a spillover effect on priority areas. With investments into cutting-edge research, CoRE will raise the level of quality of the Croatian R&amp;D sector. By innovating results for future development, scientific production will be increased. Moreover, international dimension (networking and cooperation) will positively influence quality of the research results and produced papers.</p> <p>By investing into R&amp;D projects conducted by ROs, the SO is contributing to innovative potential, technology development</p>

	<p>and transfer by dissemination of results in research and business community. More widely, the interventions will help in changing the attitude of science sector towards cooperation with business, and their reorientation towards the needs of economy. In order to facilitate KTT processes, Technology Transfer Offices (TTOs) and Science-technology parks will be supported with the aim to encourage cooperation between R&amp;D and business sector within regional and national innovation system.</p> <p>In the context of the year 2023, the direct expected result of these interventions will be increase in the total number of scientific publications published in the journals indexed in the Web of Science, which is an indicator that measures scientific productivity and quality of research conducted.</p>
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**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		1 - Increased R&D capacities of R&D sector to perform excellent research and to serve the needs of economy						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1a11	Scientific publications published in journals indexed in the platform Web of Science (core collection)	Number of scientific publications	Less developed	30,362.00	2013	36,430.00	Web of science	Annual

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p>Actions to be supported under Investment Priority 1a:</p> <ul style="list-style-type: none"><li>• Investments into R&amp;D&amp;I infrastructure (construction of new, renovation and development of existing R&amp;D&amp;I infrastructure, including equipment needed) which will enable organizational reform (well defined research agenda, mission and governance), thereby boosting their capabilities. It is also planned to invest into e-infrastructure due to the fact that information and communication technologies (ICT) became inevitable asset in development of R&amp;D&amp;I capacities and capabilities, and their cohesion with education. Main beneficiaries identified within this action are ROs, science-technology parks and regional and local self-government units. The support will be directed to projects of strategic importance that implement priorities set in S3, having the national and international character identified in the Croatian Research and Innovation Infrastructures Roadmap, and which present a committed research agenda.</li><li>• Development of all project documentation needed for the successful application and further implementation of R&amp;D&amp;I infrastructural projects which were first pre-selected based on pre-selection criteria. Beneficiaries of this action will also be ROs, science technology parks and regional and local self-government units.</li><li>• Science and technology foresight with the aim to enable the systematic analysis of science and technology potentials of the Republic of Croatia. Support will be provided for further mapping and assessing the capacities of R&amp;D&amp;I sector. This will be developed by investing into integrated, coherent and permanently updated database which compiles set of statistical data and an indicator which is fundamental for evidence based policy development. STF needs to be implemented in close cooperation with "Technology platforms" (IP1b). The beneficiary of this action will be the Ministry of Science, Education and Sports.</li><li>• Support to R&amp;D&amp;I projects of CoRE, of national and European importance, in particular research projects undertaken on the frontier of the particular scientific field. This will include activities such as cooperation between partners, knowledge transfer, development of human potential in related areas and the purchase of equipment necessary to carry out individual projects. Financing will be provided for a long term resources for carrying out ambitious, complex research projects. Priority will be given to the projects developing the international cooperation. Beneficiaries: national CoREs.</li></ul>	

<b>Investment priority</b>	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<ul style="list-style-type: none"> <li>• Grant schemes for R&amp;D&amp;I projects, where ROs work together or with business entity. The aim is to build capacities of ROs by enhancing the impact of R&amp;D&amp;I on economic growth and improving the R&amp;D&amp;I productivity and technological dissemination. The successful projects will have to demonstrate that there is a demand for project results in the business sector and/or society. Beneficiaries: ROs. Partners: ROs or enterprises.</li> <li>• Support to Technology Transfer Offices (TTOs) projects, implementation of complex knowledge and technology transfer services, this includes activities such as: improving access and knowledge of business sector in the area of technology and business development services, upgrade of technology transfer activities from HEIs and PROs towards industry/business, improvement of the Intellectual Property (IP) strategic management, and improvement of HEIs and PROs capacities related to knowledge and transfer activities. With these activities TTOs will encourage public ROs and private sector to work together in the process of converting scientific results into useful products and/or services for society. Beneficiaries: Technology transfer offices</li> <li>• Support to activities of science-technology parks for encouraging collaboration of science-industry with the intent of creating high technology economic development and advancing knowledge. Beneficiaries: Science-technology parks.</li> </ul> <p>The interventions foreseen under this SO are complementary to Croatian priorities within Horizon 2020 and other initiatives focused on research infrastructure and spreading excellence. In order to enable synergies between actions envisaged through SO 1.a.1 and HORIZON 2020 three scenarios are envisaged under this SO: (i) to ensure needed equipment for projects financed under initiatives for spreading excellence (ii) to build stairway to research excellence by financing projects that did not receive funding under ERC but were shortlisted (positively evaluated in second stage of evaluation process) (iii) to introduce in the selection procedure additional scores for projects that were evaluated positively but were not financed under standard collaborative R&amp;I actions for societal challenges. The effects of actions taken under this Investment Priority should be perceived not only in the context of creating conditions for better functioning of the R&amp;D sector, but also as contribution to the process of building knowledge-based economy in Croatia that uses its resources efficiently, i.e. from the perspective of benefits to enterprises and the society in general.</p> <p>Target groups: students, scientists, researchers, and enterprises (business sector).</p>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
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<b>Investment priority</b>	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>The guiding principles for the selection of operations within investment priority 1a are:</p> <ol style="list-style-type: none"> <li>1. all projects must be compliant with the Smart specialization strategy;</li> <li>2. there must be a justification on how the results of the research will be used to benefit the economic development of the country;</li> <li>3. in case of infrastructural investments preference will be given to projects in line with the criteria defined in Croatian Roadmap: (a) strategic embeddedness, (b) scientific potential, (c) usage, size and availability of the user base, (d) relevance for Croatia and (e) sustainability. Being in line with mentioned criteria projects can clearly demonstrate contribution to high quality R&amp;D activities orientated towards the needs of national economy and allowing achievement of European objectives (such as increase in R&amp;D expenditure).</li> <li>4. (contribution to the achievement of expected results of Investment priority 1a;</li> <li>5. contribution in building the "stairway to excellence" for enabling participation in Horizon2020.</li> </ol> <p>The funding will be awarded on the principle of competitive process based on rewarding research excellence.</p>	

### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
Not envisaged.	

### 2.A.6.4 *Planned use of major projects* (where appropriate)

<b>Investment priority</b>	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<b>Open scientific infrastructural platforms for innovative applications in economy and society – O-ZIP</b>	
Beneficiary: Ruđer Bošković Institute (RBI)	
<p>Through this project RBI intends to create four “research infrastructural platforms” (RIPs) by introducing integrated approach focused on organisational reform which is in line with the needs of economy and priorities set in S3. In conjunction with the organisational reform envisaged, project encompasses infrastructural investments aimed at construction and modernisation of research facilities at the RBI, as well as investment into capital equipment. These platforms present functional units organized within multidisciplinary environment with the aim to support Croatian priority sectors: health, biotechnology, sustainable environment and engineering which will serve for research, application and transfer of knowledge and technologies. Biological and Medical Sciences RIP will enhance activities in the areas of Red, Green, White and Blue Biotechnology and nanomedicine. Advanced technologies and materials RIP will support the development of Croatian defence industry, food-and wood-processing industry and production of pharmaceuticals, medical equipment, electrical and mechanical machines. Marine and environmental RIP will contribute to sustainable development, ecosystem protection and human health. ICST RIP is eScience technology-based platform for development of novel technologies and services for biotechnology and pharmaceutical industry, food industry and health sector. Reinforcement, modernization and increased accessibility of these platforms will significantly enhance collaboration with business and public sectors, improve technology transfer, the commercialization of research results and protection of intellectual property.</p>	

<b>Investment priority</b>	1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest
<p><b>Centre of Competence for Translational Medicine at the Children’s Hospital Srebrnjak – CCTM</b></p> <p>Beneficiary: Children’s Hospital Srebrnjak</p> <p>Through this project Children’s Hospital Srebrnjak will establish a competitive and innovative facility for translational medicine that creates a multi-disciplinary group of researchers and combines basic and clinical research and practice. CCTM follows acknowledged tendency that investments in medical sciences should head toward close linkage between science and medical practice. Being in line with S3, CCTM will be oriented towards the needs of economy applying its potential in improvement of new diagnosis, therapeutic and preventive strategies and by developing new drugs. It integrates top paediatric medicine in the fields of asthma, allergy, rheumatology, cardiology, cardio-surgery, ear-nose-throat medicine, rehabilitation and clinical trials with basic biomedical research units that will work on alleviating chronic children’s diseases and the development of innovative drugs and diagnostic procedures. CCTM will promote scientific discovery and facilitate its clinical application to improve children’s health in a patient-centric setting and provide research facilities with strong orientation towards creation and dissemination of knowledge. CCTM is a mechanism aimed at ensuring an enriched pipeline of biomedical discoveries, an infrastructure to facilitate the translation of innovative scientific discoveries from basic and laboratory based research into professional clinical practice, and a robust force of clinical investigators making it possible to test new diagnostic, therapeutic and preventive strategies in a larger numbers of patients.</p>	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		

Investment priority		1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO25	Research, Innovation: Number of researchers working in improved research infrastructure facilities	Full time equivalents	ERDF	Less developed			1,215.00	Project implementation reports	Annual
CO26	Research, Innovation: Number of enterprises cooperating with research institutions	Enterprises	ERDF	Less developed			30.00	Project implementation reports	Annual
1a1.1	Number of R&D&I infrastructural projects	Number	ERDF	Less developed			6.00	Project implementation reports	Annual
1a1.2	Number of Centres of Research Excellences supported projects	Number	ERDF	Less developed			6.00	Project implementation reports	Annual
1a1.3	Number of R&D projects conducted by research organizations	Number	ERDF	Less developed			75.00	Project implementation reports	Annual

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	1b
<b>Title of the investment priority</b>	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1
<b>Title of the specific objective</b>	Increased development of new products and services resulted from R&D activities
<b>Results that the Member States seek to achieve with Union support</b>	<p>Enhancing of the innovativeness of the Croatian economy through stimulating business R&amp;D and innovation and improving science – industry cooperation and technology transfer are among Croatian 2014 – 2020 investment priorities. Under the Specific Objective 1.b.1., R&amp;D activities of the enterprises will be supported. Planned investments under this specific objective are complementary to activities under SO 1.a.1. where actions are focused at reorienting R&amp;D sector towards business sector and the needs of economy and transfer of knowledge.</p> <p>Innovation is considered to be one of the keys for maintaining competitiveness on the global market, creating jobs and improving the quality of life. One of the main challenges of Croatia is relatively low innovativeness of Croatian economy reflected through weak export performance, lower productivity of Croatian enterprises and overall low ranking of competitiveness of Croatian economy. Therefore, there is a strong need for increase of enterprise's, including SMEs, share in R&amp;D investments in order to ensure implementation of the R&amp;D results in business activity, which will contribute to the enhancement of the Croatian economy innovativeness and competitiveness.</p> <p>Support will be provided for in-house R&amp;D projects contracting research activities of enterprises and innovation clusters as well as for collaborative R&amp;D projects between business sector and research organizations, especially ones labeled by competitiveness clusters. All R&amp;D projects must be in line with S3 Strategy Priority Thematic Areas and Cross-cutting themes. Activities under the SO will result in enhancement of business R&amp;D expenditure with aim to develop and implement: new or significantly improved product (goods or services); new or significantly improved technology and process; new</p>

	<p>marketing method; or new organisational method in business practice, workplace organisation or external relations. The SO will contribute to the modernization (new technologies, new R&amp;D equipment, etc) and diversification (new export competitive products and services) of Croatian economy and in increase of export performance of enterprises through implementation of R&amp;D results (understood as commercialization of the results in business activity). Additional focus in implementation of activities under this SO and needed specialization through S3 Strategy will be represented by 2 phase approach – 1st phase will be horizontal and open for all R&amp;D projects related to S3 Priority Thematic Areas, whereas 2nd phase will apply vertical approach and be more focused. The percentage of R&amp;D financing through vertical GS will be set once the first results of R&amp;D spending will be available and when the expected RDI strategic framework for each S3 Thematic area will be prepared as result of activities under SO 1.b.2.</p> <p>Under this SO, R&amp;D projects are covering R&amp;D activities of enterprises and development of their R&amp;D infrastructure. Since only R&amp;D activities up to the prototype and demonstration phase will be supported, the commercialization activities of large companies will not be supported, while for SMEs, support for commercialization phase will be provided through Priority axis 3.</p> <p>Under this SO ‘the demand side for R&amp;D’, meaning the enterprise sector, will be developed. Under the SO 1.b.2, ‘the R&amp;D supply side’ of National Innovation System will be developed and directed towards business.</p>
<b>ID of the specific objective</b>	2
<b>Title of the specific objective</b>	RDI activities of business sector increased through creation of favourable innovation environment
<b>Results that the Member States seek to achieve with Union support</b>	<p>As the complementary measure to SO 1.2.1, different forms of cooperation between enterprises and between business and science sectors within the framework of National innovation system (NIS) will be supported under this SO.</p> <p>Weak R&amp;D capacity and low innovation potential of Croatian economy is caused by weak environment for innovation, i.e. low interest for science-industry collaboration, insufficient capacities of business support institutions to provide services to business sector to expand through new technologies and acquisition or development of new innovative processes, goods and services. Tackling this problem is important in order to bring closer the innovation infrastructure to the enterprises (particularly SMEs) which do not have capacities to innovate or to invest in their own R&amp;D capacities. Development of new, innovative, more business oriented elements of NIS, .i.e. competitiveness clusters, thematic innovation platforms and Centres</p>

of Competence (CoCs) will address currently underdeveloped NIS as they will develop out of needs of and for business sector.

Competitiveness clusters are important element of NIS with aim to increase cooperation among enterprises by bringing together all relevant stakeholders from business, science, regional and local authorities. Twelve existing competitiveness clusters were first step for entrepreneurial discovery process in designing Croatian S3 and served as a main link for direct involvement of business sector in the process of creating S3 and project pipelines for this OP. Future cluster development is important since it represent ongoing and continuous process of entrepreneurial discovery which is one of the prerequisites in methodology of S3 Strategy. Directly connected with the aim of further development of cluster initiatives and promotion of R&D collaboration among business sector players and science and research institutions is establishment of the Innovation network for industry and creation of Thematic innovation platforms for identified S3 thematic priority areas and cross-sectoral themes. Main goal is to create a recognized expert forum for RDI dialogue among enterprises and scientific and research communities, to define long term, industry focused RDI strategic plan for each identified Thematic area under S3, continuous support to public bodies in verifying complementarity of various strategic documents and approaches, and provide education and PR tool oriented to business sector in order to implement result of RDI activities in purpose to raise productivity and diversify economy.

The third new element supported under this SO will be Centres of Competence, in which technological cooperation of enterprises and collaboration on mutual projects will be implemented. Investments will boost creation of focused and self-sustainable innovation infrastructure. Expected result of this SO is to increase innovation and R&D activities' expenditure of enterprises.

Actions will also contribute to improving capacities for innovation, technological development and cooperation for business sector (especially for SMEs), measured by the increased number of joint projects, the higher value of RDI expenditures in business sector and increase of expertise in priority thematic areas of the S3.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		1 - Increased development of new products and services resulted from R&D activities						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1b1.1	Increase of patent applications, trademarks and industrial design in Croatia	Number of applications	Less developed	1,826.00	2013	2,700.00	SIPO	Annual
1b1.2	Sales of new-to –market and new- to-firm innovation as % of turnover	Percentage	Less developed	10.50	2013	14.40	EUROSTAT - IUS	Annual
Specific objective		2 - RDI activities of business sector increased through creation of favourable innovation environment						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1b2.1	Business expenditure on research and development	MEUR	Less developed	151.29	2012	180.00	EUROSTAT	Annual

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<p><b>Under SO 1.b.1 Increased development of new products and services resulted from R&amp;D activities</b>, enterprises, including SMEs, will be supported within actions implemented through grant scheme:</p> <ul style="list-style-type: none"><li>• <b>Support to R&amp;D projects for business sector.</b> This SO will cover R&amp;D projects of business sector in one or more of the following categories: industrial research, experimental development and feasibility studies, and fundamental research where it represents a necessary component of an R&amp;D project leading to result identified for this specific objective (introducing new products, services, processes). Implementation of the project will be possible through in-house research, contractual research and collaboration between business sector and one or more research and knowledge-dissemination organisations. The results of the projects will be new to the firm or new to the market or significantly changed goods, technologies, processes or services which will enable modernisation and/or diversification of enterprises. Business entities will receive support for personnel staff, research infrastructure, contractual research and additional overheads and other operating expenses according GBER. Main beneficiaries are: SMEs; large enterprises; groups of enterprises; including innovation clusters and consortiums and as possible partner research and knowledge-dissemination organisations, particularly operating in sectors identified under Croatian S3.</li></ul> <p>As the focus of the IP 1.b.1. is on pre-commercialisation phases of R&amp;D&amp;I projects, the complementary support for commercialisation of R&amp;D works results will be provided for SMEs under Priority Axis 3. Support for commercialization of the in-house R&amp;D works of large enterprises is not envisaged under any of the actions under this investment priority.</p> <p><b>Under SO.1.b.2 R&amp;D activities of business sector increased through creation of favourable innovation environment</b>, the support will be provided through following actions:</p> <ul style="list-style-type: none"><li>• <b>National project for Competitiveness cluster initiatives support: financing will be provided for analysing the comparative advantages of</b></li></ul>	

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<p><b>clusters and development programmes for cluster initiatives</b>, such as: identification and analysis of Croatian position in Global value chains, identification of future progressive niches, assistance in export strategies for new market niches, identification of market gaps and areas for attracting targeted FDI and branding of emerging industry niches and preparation of training modules and concept for National cluster academy. It will consequently boost the preparation and implementation of joint projects in the field of R&amp;D, technology transfer, innovation, and internationalization.</p> <p>Beneficiary under the action will be the Ministry of Economy (target group consists of current 12 competitive clusters identified in S3 strategy).</p> <ul style="list-style-type: none"> <li>• <b>National project for development of Innovation Network for Industry (INI) and creation of Thematic Innovation Platforms</b> (identified by Croatian S3 priority thematic areas and cross sector themes). INI will concentrate on developing long-term research and innovation agendas and roadmaps which will be in line with the S3, to be supported by both private and public R&amp;D funding. The costs of establishment of the thematic innovation platforms, technological mapping, education and training of business sector and promotion of innovation activities will be covered as well as the maintenance of the TP during initial phase. Additionally, the studies and analyses necessary for the preparation of the long-term research and innovation agendas and roadmaps for the specific platforms (therefore serve as a short-term action plans for S3 strategy) will be financed and will constitute a base for the joint activities of all actors. The platforms will be created under the guidance of the Ministry of Economy in the thematic areas indicated in the S3 and will match the scientific/research sector and its scientists with the business community. Their main goal is: Efficiency and high quality service for the R&amp;D needs of the recognized enterprises under S3 priority; Concentration of knowledge and technologies within the HEI and ROs matching the needs of economy; Development of long-term strategies for future growth, development and sustainability for applied research; Definition of mid and long-term goals for R&amp;D development according the needs of the industry; Determination and application of advanced technologies with regional, national and EU research programmes; promotion of the innovation policy and Public dissemination of RDI results and activities. For individual Thematic innovation platforms support will be provided for: matchmaking activities for building the consortiums for certain project applications; capacity building; training and education of the clients of thematic platforms and project pipeline preparation for certain S3 fields as well as preparation of RDI strategy for each thematic priority areas.</li> </ul> <p>Beneficiary under the action will be the Ministry of Economy. Target group for this action are competence centers, competitiveness clusters, HEI and RO and regional and local authorities.</p> <ul style="list-style-type: none"> <li>• <b>Support to development of centres of competence.</b> Being industry-led, as a small-scale, individual (networked) entities providing support (in</li> </ul>	

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<p>providing services, human resources and R&amp;D infrastructure), centers of competence will serve as a specialised and self-sustainable industry led entities, especially designed to offer support to SMEs that lack in-house capacities for R&amp;D.: Implementation of joint RDI projects, in line with the Croatian S3, led by the demand from the industry. Supported activities under joint projects will involve personnel (especially highly qualified personnel that works on the project); instruments, equipment; technical knowledge, patents and other industrial right costs, consultancy costs and equivalent services etc. Centers of competence will complement actions planned under the IP 1a where support is given to building and upgrading of existing capacities and infrastructure of ROs. It is envisaged that several CoCs will be established on the basis of the sound development strategies prepared together by the business community, science sector, the regional authorities as well as the framework partnership agreement signed by the stakeholders. Relevance of CoC development strategy is to be confirmed by the committee of one or more competitiveness clusters. CoC main focus will be the industrial research and experimental development, especially for SMEs, and for collaborative projects between large enterprises and SMEs, providing high added-value to business sector in supporting their efforts that innovative ideas can be turned into processes, goods and services that consequently will contribute to creation of growth and jobs. Envisaged are investments in construction and equipment of the CoCs, as well as covering the costs of projects implemented within the Centres.</p> <p>Main beneficiaries of this support are legal entities operating as CoCs (founded by local or regional government, in cooperation with scientific and/or research institutions, clusters or enterprises operating in the most prospective sectors recognized locally, and other public institutions).</p> <p>Complementary actions for strengthening RDI capacities of enterprises will be implemented under the OPECC 2014-2020, thematic objective 3 aiming at enhancing the competitiveness of SMEs - investment priority 3.4. <i>Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes</i>, measures are foreseen supporting improvement of SMEs innovation potential.</p> <p>Under the ESF OPEHR 2014-2020 synergies will be ensured under TO 10 (building up of human resources in RDI) and TO11, where support to reform processes that should help to improve the overall business climate is envisaged, such as better delivery of quality overall public services to businesses and greater efficiency of courts in dealing with commercial issues.</p> <p>Within implementation of ESIF RDI investments under this specific objective will contribute to achieving synergy with HORIZON 2020 programme activities.</p>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"><li>• clear and quantifiable contribution to the relevant output and result indicator targets</li><li>• maturity of the project design</li><li>• cost-effectiveness</li><li>• sustainability (esp. financial)</li><li>• implementation capacity</li><li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li><li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li></ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>Common overall principles for all actions to be supported under investment priority 1b are strengthening capacities and private investments in RDI. Priority will be given to the projects which promote and comply with eight ex-ante criteria to assess projects or domains and to select S3 priorities. Supported actions are directed in the development of projects on the basis of their potential to increase level of innovativeness, productivity and R&amp;D excellence and therefore contribute to the national R&amp;D targets set up in the Partnership Agreement.</p> <p>Priority will be given to projects (especially in the investments in infrastructure for RDI) which contribute to the green growth.</p> <p>Specific guiding principles for selection of operations under support in investments in research and development of enterprises and research organizations are:</p>	

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<ul style="list-style-type: none"> <li>• compliance with thematic priority areas identified under S3;</li> <li>• proximity to market;</li> <li>• level of innovativeness of proposed project’s results to the market;</li> <li>• degree of collaboration and the number of partners involved;</li> <li>• significance of the activity for the regional/national/global economy.</li> </ul> <p>Support to Centres of competence, will be in line with Croatian Smart Speciation Strategy, and reflect to the needs and potential of academic sector, local government and business sector within certain area to develop and specialise in specific thematic priority areas. CoC will be pre-selected by the Ministry of Economy on the basis of guidelines being currently developed. Guidelines prepared by the Ministry of Economy state CoCs are legal entities established for support to economic development through RDI focus on industrial and applied research and innovation, led by the industry and support strengthening of intellectual property rights in specific thematic areas recognized within the S3 Strategy and integrated into one or more Thematic Innovation Platforms. The main guiding principle for selection of support to CoCs have to be the ability of CoCs to serve the needs of enterprises, particularly SMEs, and their ability to prove that CoC will help the creation of critical mass of subjects and their interest to develop RDI activities. Hence, this GS will have regional and collaborative character and should address at least one of S3 priorities. Selected CoC will present projects proposals which will be assessed using following criteria:</p> <ul style="list-style-type: none"> <li>• Sustainability of the centre</li> <li>• Level of innovativeness,</li> <li>• Involvement of partners (research, public authorities and companies),</li> <li>• compliance with S3 strategy,</li> <li>• level of financing from private companies.</li> </ul>	

### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
Potential for introducing financial instruments in the implementation of investment priority 1b exists. Based on results of the ex-ante evaluation it will be decided whether to introduce them.	

### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
Not envisaged.	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies						
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of</b>

				relevant)	M	W	T		reporting
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Less developed			400.00	Project implementation reports	Annual
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	Less developed			400.00	Project implementation reports	Annual
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	ERDF	Less developed			100.00	Project implementation reports	Annual
CO24	Research, innovation: Number of new researchers in supported entities	Full time equivalents	ERDF	Less developed			30.00	Project implementation reports	annual
CO26	Research, Innovation: Number of enterprises cooperating with research institutions	Enterprises	ERDF	Less developed			100.00	Project implementation reports	Annual
CO27	Research, Innovation: Private investment matching public support in innovation or R&D projects	EUR	ERDF	Less developed			210,000,000.00	Project implementation reports	Annual

CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products	Enterprises	ERDF	Less developed			100.00	Project implementation reports	Annual
CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	ERDF	Less developed			400.00	Project implementation reports	Annual
1b11	Number of R&D projects supported	Number	ERDF	Less developed			600.00	Project implementation reports	Annual

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	1 - Strengthening the Economy through Application of Research and Innovation
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## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator,
PF1.1	F	Total amount of eligible expenditure certified	EUR	ERDF	Less developed			182,104,566			782,108,440.00	Ministry of finance	
1a1.1	O	Number of R&D&I infrastructural projects	Number	ERDF	Less developed			1			6.00	Project implementation reports	This indicator represents the majority of resources allocated to investment priority 1a.  Together, with performance framework output indicator for Investment priority 1b these two indicators account for more than 50 % of the allocation to the priority axis 1.
1b11	O	Number of R&D projects supported	Number	ERDF	Less developed			50			600.00	Project implementation reports	The indicator covers majority of proposed actions under investment priority 1b.  Together, with performance framework output indicator for investment priority 1a these two indicators account for more than 50 % of the allocation to the priority axis 1.

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

## Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation	
Fund	Category of region	Code	€ amount
ERDF	Less developed	002. Research and innovation processes in large enterprises	95,000,000.00
ERDF	Less developed	056. Investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities	60,000,000.00
ERDF	Less developed	057. Investment in infrastructure, capacities and equipment in large companies directly linked to research and innovation activities	25,000,000.00
ERDF	Less developed	058. Research and innovation infrastructure (public)	163,221,739.00
ERDF	Less developed	059. Research and innovation infrastructure (private, including science parks)	63,000,000.00
ERDF	Less developed	060. Research and innovation activities in public research centres and centres of competence including networking	171,330,000.00
ERDF	Less developed	061. Research and innovation activities in private research centres including networking	15,370,000.00
ERDF	Less developed	063. Cluster support and business networks primarily benefiting SMEs	15,470,426.00
ERDF	Less developed	065. Research and innovation infrastructure, processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and on resilience to climate change	40,000,000.00
ERDF	Less developed	070. Promotion of energy efficiency in large enterprises	5,000,000.00
ERDF	Less developed	121. Preparation, implementation, monitoring and inspection	11,400,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation	
Fund	Category of region	Code	€ amount

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Non-repayable grant	664,792,165.00
ERDF	Less developed	03. Support through financial instruments: venture and equity capital or equivalent	0.00
ERDF	Less developed	04. Support through financial instruments: loan or equivalent	0.00
ERDF	Less developed	05. Support through financial instruments: guarantee or equivalent	0.00

**Table 9: Dimension 3 - Territory type**

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	664,792,165.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	664,792,165.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		1 - Strengthening the Economy through Application of Research and Innovation	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	1 - Strengthening the Economy through Application of Research and Innovation
<p>In line with the actions envisaged under IP 1a, it is also needed to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects which were pre-selected on basis of pre-selection criteria to be able to receive the support from ERDF for investments in R&amp;D&amp;I equipment and infrastructure. Potential beneficiaries don't have the needed capacity and skills to prepare high quality infrastructure project documentation with all the accompanying technical documentation by themselves in order to receive funding for infrastructural investments. Under IP 1b it is planned to use technical assistance to cover the gaps in the public administration when it comes to capacity building for RDI, monitoring and evaluation activities and strategic RDI development of the beneficiaries. With this action timely and efficient management of projects within priority axis 1 in period 2014-2020 will be ensured.</p>	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	2
<b>Title of the priority axis</b>	Use of Information and Communication Technologies

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)**

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	2a
<b>Title of the investment priority</b>	Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1
<b>Title of the specific objective</b>	Development of NGN broadband infrastructure in areas without sufficient commercial interest for investments in NGN broadband infrastructure, for maximum increase of social and economic benefits
<b>Results that the Member States seek to achieve with Union support</b>	<p>Considering relevant rules for application of state aid in broadband sector, the specific objective generally supports investments in NGN broadband infrastructure in areas without existing NGN broadband infrastructure and without sufficient commercial interest for investments in such infrastructure by operators in the electronic communications market (so called NGN white and grey spots).</p> <p>The objective will be achieved through actions implemented aiming at developing of aggregation (backhaul) NGN network in white and grey NGN areas, and at developing of access networks (NGA with at least 30 Mbps–100 Mbps throughput) in white NGA areas (full market failure) for households, enterprises and public institutions. The implementation of actions in NGN backhaul grey areas is required because of existence of market failure, as only non-adequate NGN backhaul services are provided there by incumbent operator, according to the analysis provided in the Plan for NGN backhaul network development (not yet adopted).</p> <p>Taking into account the scale of available ERDF and national co-financing and in order to ensure that investments in NGN broadband infrastructure will have maximum leverage effect, investments under this objective will be focused on ensuring access of the most public institutions. Taking into account their social and economic role, priority will be given to ensure connections for administration offices, educational, health, judicial and cultural institutions. Naturally, this means geographical concentration of investment in regional and municipal administrative centres where concentration of targeted public institutions tends to be highest. Second priority will be given to ensure connections for business zones, business support institutions and enterprises.</p> <p>The main expected result to be achieved with the use of ERDF funding and national funding (public and private) under this specific objective is to increase NGN national broadband coverage through three key components until 2023:</p> <ul style="list-style-type: none"> <li>• Covering of at least 350 central administrative settlements in municipalities located in white and grey NGN areas with aggregation (backhaul) NGN networks, being the prerequisite for further development of NGN (NGA) access networks.</li> <li>• Ensuring connections to all targeted public institutions in white and grey NGN areas</li> </ul>

- |  |  |
|--|--|
|  | <ul style="list-style-type: none"><li>• Increase of national NGA network coverage by 20%, by supporting deployment of NGA connections for households, business zones, business support institutions and enterprises (at least 30 Mbps-100 Mbps) in settlements located in white NGA areas, with highest leverage effect on business activity in these settlements.</li></ul> |
|--|--|

Other expected benefits include stimulation of the demand for broadband connectivity, supporting the development of digital economy (as a consequence of an increase in number of households and public institutions, being covered by NGN network) and in more broad economic perspective also an increase in investment opportunities for local SMEs and external companies. The results of this specific objective contribute directly to achievement of general Digital agenda for Europe and National Broadband targets for high-speed broadband coverage till 2020.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		1 - Development of NGN broadband infrastructure in areas without sufficient commercial interest for investments in NGN broadband infrastructure, for maximum increase of social and economic benefits						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2a11	Total NGA broadband coverage (as a % of households)	% of households	Less developed	33.00	2013	53.00	DAE Scoreboard, Croatian Bureau of Statistics	Annual

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
There will be two infrastructure investment actions to be supported under this specific investment priority:	
<b>Financing development of aggregation (backhaul) NGN networks and connection of public institutions to NGN network, in NGN white and grey areas</b> – NGN aggregation networks collect traffic from access (NGA) networks towards backbone networks and comprise a portion of network between first concentration nodes and core networks nodes (also called middle mile). Direct beneficiary of this action will be public company in charge of design, build (through public procurement contracts) aggregation networks “Transmitters and Communications“(OiV). The OiV will own and operate the network as Infrastructure Operator. However, the whole backhaul network will be used by other operators. Target group within public institutions will be national, regional and local government offices and branches, including educational, health, cultural, touristic and judicial institutions. By ensuring connections to all targeted public institutions in white and grey NGN areas, all costs related to passive and active NGN network elements will be covered, including civil engineering costs for construction of passive network infrastructure.	
<b>Financing development of NGN/NGA networks in NGA white areas</b> - access networks relate to a portion of network that stretches between end users (households, enterprises and public institutions) and first network concentration node (last mile). NGA networks comprise any infrastructural and technological solution that is capable of supporting high-speed/ultra-high speed access (more than 30 Mbps – 100 Mbps), according to definitions of Digital Agenda for Europe (technologically neutral). Pure upgrade of copper infrastructure, without introduction of fiber-optic closer to user premises (FTTX) is excluded.	
Beneficiaries of the support will be local and regional authorities (municipalities, towns and counties) from white NGA areas, while citizens and enterprises will represent target groups. Among listed target groups, priority will be given to business zones, business support institutions and enterprises.	
Beneficiary will select one of the three possible investment models (defined by ONP) for implementation of access network projects that combine the roles of beneficiaries as public bodies, with roles of private operators in the electronic communication market in projects developing the access networks. Following examples of actions could be financed: private design, build and operate (private DBO) model, public design, build and operate (public DBO)	

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
<p>model and Public Private Partnership model (PPP).</p> <p>Financing will cover investment costs for construction of access networks up to maximum eligible average cost per end user covered by operation. Maximum eligible average cost per end user will be set taking into account available financial resources within specific objective, as well as the need to support deployment of advanced broadband solutions in operations (e.g. FTTx access networks). All access network projects have to implement defined wholesale obligations and pricing rules, as well as implement clawback mechanism, according to the financial size of the project, as defined by ONP. Particular attention will be given to stimulating and leveraging the private investments in the development of the NGA network.</p> <p>In addition, one action for <b>project pipeline preparation</b> for projects that will first be pre-selected based on pre-selection criteria will be established. It will provide assistance in preparation of project documentation, including education and skill development, aiming to enhance absorption capacity of potential beneficiaries of NGA access networks (municipalities, towns and counties) grant scheme.</p> <p>Listed above actions contribute to the achievement of the specific objective in complementary manner, since they are concentrated on the development of NGN broadband infrastructure in clearly identified communities placed in NGN white and grey areas. Complementarity will be achieved by coordinated support of both actions by the same public body having the role of IB1. IB1 will ensure that all white areas covered by NGA projects (supported through the second action) are already connected by adequate NGN backhaul network; or these areas will be connected within NGN backhaul network projects supported through the first action in a timely manner.</p> <p>Since infrastructure investment actions in this investment priority constitute state aid, they shall conform to corresponding state aid principles for broadband networks in EU and Croatia, which particularly relates to Guidelines for the application of State aid rules in relation to the rapid deployment of broadband networks (OJ C 25/2013). This is related to practical rules and principles for definition of targeted areas within operation (mapping), setting of wholesale obligations, implementation of clawback mechanism etc. Conformity of state aid rules in operations will be supervised by state aid granting authority (same as IB1). In order for any implementation of broadband projects to start, approval of the proposed State aid measures must be obtained from the European Commission by way of formal decision. Implementation must be undertaken with full respect of the conditions set out in a Commission decision approving the aid.</p> <p>Actions will be implemented under two National Broadband State Aid Schemes for access and aggregation networks, respectively:</p> <ul style="list-style-type: none"> <li>• <b>National Programme for Backhaul Broadband Infrastructure (NP-BBI) for aggregation (backhaul) networks</b></li> </ul>	

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
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- **National Framework Programme (ONP) for access broadband networks**

State aid clearances, being obtained for ONP and NP-BBI in parallel with programming process for period 2014-2020, will enable execution of operations within both actions of this investment priority:

- **Aggregation (backhaul) networks (NP-BBI):** Beneficiary of action supporting construction of aggregation (backhaul) networks within NP-BBI state aid scheme is public company “Transmitters and Communications“(Oiv), which is in charge of design, build and operate of aggregation networks. Operations (projects) within NP-BBI scheme will not require individual state-aid notifications. NP-BBI prescribes practical state aid rules for precise identification of targeted white and grey areas, setting wholesale obligations and pricing rules as well as implementing clawback mechanism. Development of operations (projects) within NP-BBI will be guided and supervised by a public body designated as state-aid granting authority (the same body having the role of IB1).
- **Access networks (ONP):** Beneficiaries of the action supporting development of access networks under ONP scheme will comprise local and regional government units (communities, towns and counties). As ONP scheme prescribes practical rules and guidelines necessary to conform to broadband state aid rules, it eases the administrative burden for beneficiaries in performing the operations (projects) within this action, as there is no need to implement individual state aid notifications per each project. Furthermore, ONP also prescribes the practical rules for mapping of existing broadband infrastructure and identification of targeted groups, which is required to precisely define the geographical scope of targeted areas covered by operations (white and grey areas). National Regulatory Agency (HAKOM) has also developed interactive broadband map (<http://bbzone.hakom.hr/Home/InteraktivniPreglednik#sthash.vdTM8jlv.Fejp0STw.dpbs>), which further facilitates this process for beneficiaries by providing an overview of availability of basic and next-generation access (NGA) (fast and ultra-fast) service coverage throughout Croatian settlements (necessary for mapping of so called ‘white’, ‘grey’ and ‘black’ areas). Development of operations (projects) within ONP will be guided and supervised by a public body designated as state-aid granting authority (the same body having the role of IB1).

Synergy will be achieved with investments planned under following Thematic objectives and investment priorities of the OPCC:

- Thematic objective 2.: Deploying of NGN network will accelerate development of ICT applications, such as e-government, e-health, e-culture, e-inclusion, e-tourism which have potential to multiply socio-economic impact expected from ICTs, underlining the importance of the multi-sectorial strategies for national development, where broadband remains in the forefront;
- Thematic objective 3 - SMEs need reliable NGA to compete in an increasingly connected world. With availability of high-speed internet connections, adoption of information and communication technologies by entrepreneurs is essential for reduction of the costs of both hardware and services, which at the end will enable better promotion of services, applications and local content as well as delivery of government services over

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
<p>the Internet (e-government). More specifically, within investment priority 3.4. <i>Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes</i>, action is foreseen to support SMEs in introducing and implementing e-business solutions provided by ICT;</p> <ul style="list-style-type: none"> <li>• Thematic objectives 9 (providing support for social and health public infrastructure); 10 (enhancing infrastructural capacities at pre-tertiary and tertiary levels with improved educational standards and learning environment for students) and 11 (increasing the judiciary effectiveness) - with the potential to be used for provision of public services and in order to achieve better delivery of quality public services thus contributing to regional and local development.</li> <li>• E-literacy and e-skills in particular, which are vital for broadband diffusion to succeed, will be addressed within Efficient Human Resources Operational Programme 2014 - 2020, thematic objectives 8, 10 and 11.</li> </ul>	

#### **2.A.6.2 Guiding principles for selection of operations**

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and</p>	

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
<p>national legal acts, including state aid rules.</p> <p>Conformity in preparatory phase of operations is precondition for selection of operation for financing within this investment priority.</p> <p>Under scheme supporting <u>NGN aggregation (backhaul) networks</u> - priority, ranked by importance, will be given to projects:</p> <ul style="list-style-type: none"> <li>• covering central administrative settlements in municipalities located in white and grey NGN backhaul areas;</li> <li>• covering areas with higher demand prospects (with larger number of existing internet connections or broadband penetration), in compliance with analyse for investment plans of private investors for NGA last-mile (access) networks (30 Mbps-100 Mbps);</li> <li>• connecting targeted public institutions (administration offices, educational, health, judiciary, touristic and cultural);</li> <li>• then, areas with high number of business support institutions and enterprises;</li> </ul> <p>Public design, build and operate investment model will be implemented. Rolled out networks shall be operated by beneficiary (OiV). Financing will cover investment costs for construction of aggregation networks and connection of target public institutions, up to maximum co-financing rate for priority axis. Investments in aggregation networks are technologically neutral. Considering its NGN nature and need to aggregate high-speed traffic from NGA access networks, projects will mostly support implementation of multi-fiber aggregation links. Implementation of wireless aggregation links will only be supported in sparsely populated areas.</p> <p>Under grant scheme for <u>development of NGA access networks (last mile)</u>, priority will be given to complex project proposals ensuring the introduction of fiber infrastructure (FTTx) in last-mile network segment, proposed by the local and regional authorities:</p> <ul style="list-style-type: none"> <li>• covering areas with higher demand prospects (with larger number of existing internet connections or broadband penetration),</li> <li>• ensure connections to targeted business zones, business support institutions and enterprises;</li> <li>• Showing higher socio-economic impact of availability of NGA access networks, especially the impact related to business activity in project area.</li> </ul> <p>Project pipeline preparation support (for development of NGA access networks) - priority will be given to those local and regional administrative units with lowest economic prospects and institutional capacities (ranked and included in the list of assisted areas under the Law of Regional Development).</p> <p>Aid intensity will be determined on the level of each individual operation, depending on private contribution in each operation and subject to state aid rules.</p>	

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
Decree on Standards for development of electronic communications infrastructure and of other related equipment (OG131/12) proscribes that electronic communications infrastructure and other related equipment should in principle be planned, in the corridor or route of communal infrastructure; synchronisation in relation to the planned infrastructure communal construction timelines is necessary. Cost savings and synergies would be achieved through coordination with transport and energy infrastructure projects financed under priority axes 4, 5 and 6 under OPCC.	

### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
Potential for introducing financial instruments in the implementation of investment priority 2a exists. Based on the results of the ex-ante evaluation it will be decided whether to introduce them.	

### 2.A.6.4 *Planned use of major projects* (where appropriate)

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
<p>The action <i>Financing development of aggregation (backhaul) NGN networks in white and grey areas</i> will be implemented as one major project. Expected result of the project is to develop broadband backhaul infrastructure in central administrative settlements of municipalities located in NGN backhaul white and grey areas, It is a part of the state measures designed to help eliminate digital divide between counties, to increase social cohesion and contribute to economic growth. Project will stimulate private operators and local communities to start developing next generation high speed broadband access network infrastructure, also through complementary access network state aid scheme „National Framework program for development of access broadband infrastructure“.</p> <p>The project also aims to connect all public institutions (national, regional and local government offices and branches, including educational, health, cultural, touristic and judicial institutions) in the targeted areas to high-speed NGN network, in order to enable development and provision of public e-services (e-education, e-health, e-justice etc.).</p>	

<b>Investment priority</b>	2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
<p>Direct beneficiary in the project will be Croatian public company in charge of design, build (through public procurement contracts) and operate of aggregation networks “Transmitters and Communications“(OiV). Provision of electronic communication services is core business of OIV and internal structure of OIV is fully customized for providing electronic communication services. OiV will build, operate and own the network as Infrastructure Operator (public design, build and operate (public DBO) investment model). The new network will offer wholesale access on an open, non-discriminatory basis to electronic communication service providers who will deliver broadband services to end-users.</p> <p>Target groups will be public institutions (national, regional and local government offices and branches, including educational, health, cultural, touristic and judicial institutions); and all operators in the market that will use NGN backhaul network capacity.</p> <p>Investments in aggregation (backhaul) networks are technologically neutral. Project will mostly support implementation of multi-fiber aggregation links. Implementation of wireless aggregation links will only be supported in sparsely populated areas.</p> <p>Re-use of existing physical infrastructures, including those of other utilities such as gas, water or electricity infrastructure, will be used as measure to reduce cost of roll out electronic communications networks. Synergies across sectors may significantly reduce the need for civil works due to the deployment of electronic communications networks and therefore also the social and environmental costs linked to them, such as pollution, nuisances and traffic congestion.</p> <p>Since infrastructure investment actions in this project constitute state aid, they are aligned with corresponding state aid principles for broadband networks in EU and Croatia, which particularly relates to State Aid Guidelines (OJ C 25/2013). Actions will be implemented under National Broadband State Aid Schemes for aggregation network, respectively - National Programme for Backhaul Broadband Infrastructure (NP-BBI) for aggregation (backhaul) networks. State aid clearances, being obtained for NP-BBI in parallel with programming process for period 2014-2020, will enable execution of project.</p>	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO10	ICT Infrastructure: Additional households with broadband access of at least 30 Mbps	Households	ERDF	Less developed			315,000.00	Project implementation reports	Annual
2a11	Number of backhaul NGN connection points in NGN white and grey areas	Number	ERDF	Less developed			350.00	Project implementation reports	Annual
2a12	Private investment matching public support in projects for broadband development	EUR	ERDF	Less developed			44,344,595.00	Project implementation reports	Annual

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	2c
<b>Title of the investment priority</b>	Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1
<b>Title of the specific objective</b>	Increase of the use of ICT in communication between the citizens and public administration through establishment of ICT coordination structure and software solutions
<b>Results that the Member States seek to achieve with Union support</b>	<p>One of the identified problems influencing negatively the level of usage of public e-services in Croatia via internet and communication with the public authorities through on line applications is inadequate and inefficiently managed ICT infrastructure in the public administration. The proposed solution, already supported by a Government decision, is to create the Shared Service Center which will coordinate and manage the use of ICT applications and e-services provided to the citizens by various governmental institutions. That will enable a rational and cost efficient development of an interconnected and interoperable ICT system within the government administration. The management from one Center will impose standards in developing e-services and thereby make them easy to use. The Shared Service Center is one of the long-term measures of the National Reform Program and it has strong political commitment.</p> <p>Within this Specific Objective the server ICT infrastructure for Shared Service Centre will be financed, which will enable creating and managing the Cloud used for the purpose of the SSC.</p> <p>The other closely related problem negatively influencing the level of providing public e-services is a lack of digital data needed for delivery of very complex e-services and specific applications that include processing of data handled by different institutions. To enhance the transparency, accountability and efficiency of public administration, applications, used for functioning of public institutions and communication with citizens will need to be developed and provided in a consolidated manner. This is seen as a precondition for the adoption of future and emerging technologies and networks for the digital economy in whole country. Through coordinated development and offering ICT in consolidated manner various public services data shall become more available to citizens at different management levels (administration, legal and private entities, foreign investors). This approach also helps in promotion of transparency of public administration and helps avoid any potential misuse of data or corruption.</p> <p>Specific objective for the use of ERDF funds in Croatia until 2023 is to increase use of ICT in communication between citizens and public administration through establishment of ICT coordination structure and software solutions. This will be achieved through:</p>

- Improving the quality and e-communication possibilities between citizens and public administration through financing ICT infrastructure and software necessary to create and ensure operations of CLOUD managed by the governmental Shared Service Center
- Development of e-applications in areas crucial for the economic growth prospects and social cohesion like: e-Construction, e-Land Management, e-Justice, e-Health, e-Tourism, e-Culture and e-Inclusion
- Ensuring that awareness raising and training will be included into the deployment and use of applications that will be developed.

The overall expected result of this SO (in the year 2023 horizon) is to increase the level of the usage of e-government services by citizens measured by e-government services usage by individuals and increase of the population communicating with public institutions.

Specific results to be achieved include functioning of the CLOUD and strengthening use of e-services in the mentioned sectors: the increase of percentage of public institutions integrated in the Cloud and number of complex user-centric e-services provided.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		1 - Increase of the use of ICT in communication between the citizens and public administration through establishment of ICT coordination structure and software solutions						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2c11	E-government services usage by individuals	%	Less developed	35.00	2013	65.00	EUROSTAT	Annual
2c12	Population communicating with public institutions through online applications	%	Less developed	30.80	2013	60.00	EUROSTAT	Annual

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>A phased approach will be applied, whereby the e-services will be developed when the Digital Strategy will be mature, which would provide the overall strategic frame, identify the necessary actions and the monitoring indicators/tools. Framework for building a Centre of Shared Services is defined by the Government Conclusion (March 2014) stipulating the need to set up a business plan for the establishment of a Shared Service Centre on the principles of the Shared Service model (integration of IT systems), after comprehensive analysis has been conducted on 2.300 targeted public bodies to be included in the project. Government Conclusion provides a ground for actions related to the Centre to be carried out at the same time while Digital Strategy is being developed. Law on State Information Infrastructure obliges all stakeholders to interconnect registers needed to develop integrated e-services via a government service bus ("Paperless Government" project) and declares central state body responsible for e-Croatia (Ministry of Public Administration) as the authority having responsibility for the coordination, management and monitoring of the development of the state information infrastructure. Ministry of Public Administration as central state body for e-Croatia will be directly responsible for strategies and policies coordination while the complementarity and consistency of investments in terms of infrastructures, platforms and e-services, as well as across e-services will be ensured by the state owned agency (directly under the Ministry of Public Administration) designated as agency in charge for operating the CLOUD.</p> <p>Examples of actions to be financed to achieve the specific objectives are the following:</p> <ol style="list-style-type: none"><li><b>1. Establishment of the Government cloud</b></li></ol> <p>Under this action ERDF financing will be provided for establishment, equipping and making operational Government Cloud. This will include operations aimed at:</p> <ul style="list-style-type: none"><li>• Consolidation of the government ICT infrastructure, and common government applications used by the Shared Service Centre,</li><li>• Delivery of necessary equipment and</li></ul>	

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<ul style="list-style-type: none"> <li>• Purchasing or developing software</li> </ul> <p>The beneficiary of the action will be the Ministry of Public Administration responsible for the governmental Centre of Shared Services.</p> <p>Target groups: Public institutions, citizens</p> <p><b>1. II. Development of e-applications in the listed below areas:</b></p> <p>Under this action financing will be provided for developing e-applications in limited number of areas of the utmost importance for the performance of the Croatian Economy and development of e –government services for the use of citizens. Development and functioning of the Centre of Shared Services and those e-services developed in that cloud will be coordinated by the Ministry of Administration and managed by the Centre of Shared Services.</p> <p>Direct beneficiary will be limited number of line ministries mentioned below.</p> <p>The areas listed below were specified in line with National Reform Program 2014, however the Digital strategy which is currently under preparation will establish definite priorities for investments, based on a SWOT analysis; listed applications are considered as preliminary ones, subject to validation or modification depending on the outcome of Digital strategy for Croatia.</p> <p><b>1. <i>e-Health:</i></b></p> <p>Investment in cloud based standardized interoperable business and health hospital application systems, development of integrated information system for the Croatian Health Insurance Company, development of e-Directives, e-Drug prescription, implementation and upgrade of HR DRG payment system is foreseen:</p> <ul style="list-style-type: none"> <li>• Informatization of central health system (development of internal information system e-HZZO, e-Guidelines, e-Medication, introduction and upgrade of HR DRG system for payment and monitoring of health system);</li> <li>• e-Hospital – establishment of standardized, integrated and interoperable information system in Croatian public hospitals.</li> </ul> <p>Beneficiary: Ministry of Health and the Croatian Health Insurance Company</p>	

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>Target groups: employees in health institutions, citizens, tourists</p> <p>1. <i><b>e-Land and spatial planning Administration</b></i></p> <p>Further development of ICT systems through establishment of an integrated transparent system for improving the spatial planning process, ICT applications to support database for the creation of spatial planning documents, procedures in the field of construction, supervision and inspection, development and strengthening of national application for discovering, access and download of spatial information of the public sector and provide e-services in <b>land and spatial planning administration</b>.</p> <p>Beneficiary: Ministry of Construction and Physical Planning, Croatian Institute for Spatial Development and State Geodetic Administration</p> <p>Target groups: employees in land administration institutions, business entities, and general public</p> <p>1. <i><b>e-Culture</b></i></p> <p>Establishing national IT system for collection, processing, distribution and storing digitised cultural heritage ensuring preservation and presentation of cultural heritage, both nationally and EU wide (integration with EUROPEANA), as well as providing information accessible to the public.</p> <p>Beneficiary: Ministry of Culture</p> <p>Target groups: employees in the cultural sector, general public</p> <p>1. <i><b>e-Tourism</b></i></p> <p>Development of e-tourism IT system including central and integral IT system consolidating all the data on tourist boards and registered stakeholders in tourist sector ensuring accurate and reliable information thus contributing to higher service quality, citizen and tourists satisfaction and tourism industry.</p> <p>Beneficiary: Ministry of Tourism</p> <p>Target groups: employees in tourist institutions, tourists</p>	

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p data-bbox="197 264 365 292">1. <i>e-Justice</i></p> <p data-bbox="147 331 2051 400">Establishment of interoperability and interconnectivity of justice registers between both national and EU registers in order to create integral e-justice system facilitating access to justice by citizens and businesses.</p> <p data-bbox="147 440 555 467">Beneficiary: Ministry of Justice</p> <p data-bbox="147 507 752 534">Target groups: business entities, general public</p> <p data-bbox="197 574 398 601">1. <i>e-Inclusion</i></p> <p data-bbox="147 641 2096 710">Development of central IT system for the Ministry of Veterans Affairs by integrating all the data through ensuring interconnectivity and interoperability with other relevant stakeholders providing strengthened ministry capacities to provide timely and quality support for the veterans.</p> <p data-bbox="147 750 680 777">Beneficiary: Ministry of Veterans Affairs</p> <p data-bbox="147 817 1384 844">Target groups: employees in Ministry of Veterans Affairs, homeland veterans, the general public</p> <p data-bbox="147 884 1995 952">Part of all actions to be financed under investment priority 2c shall be services and trainings intrinsically related with the deployment and use of technologies and IT applications developed.</p> <p data-bbox="147 992 2123 1099">The development of e-services under investment priority 2c will build on the results of strategic projects "e-Citizens" and "Paperless Government", already in implementation and defined by the Law on the State Information Infrastructure, with the goal to achieve "just once and digital". In general, important public websites and online services will fully take part in public life and will be in line with international web accessibility standards.</p> <p data-bbox="147 1139 2069 1166">Synergies and complementarities are planned to be achieved by supporting different aspects of ICT also under other thematic objectives under OPCC:</p> <ul data-bbox="210 1206 2096 1348" style="list-style-type: none"> <li data-bbox="210 1206 2096 1275">• Under investment priority 2a, it will be ensured that investments into broadband development are focused, among other priority areas, especially on those areas where they can benefit public administration institutions the best in order to serve the citizens more efficiently;</li> <li data-bbox="210 1283 2096 1348">• Under priority axis 3 aiming at enhancing the competitiveness of SMEs - investment priority 3.4. <i>Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes</i>, action is foreseen to support SMEs in introducing and</li> </ul>	

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>implementing e-business solutions provided by ICT;</p> <ul style="list-style-type: none"> <li>Interventions within Investment Priority 10a - procurement of specialized ICT equipment for teachers and learners as well as other ICT related equipment; Integration of existing and development of new e-services necessary for flawless and simple operation of school entities aiming to create digitally mature schools for the 21st century (E-schools).</li> </ul> <p>Complementary actions with above mentioned ERDF type of activities will be provided through ESF, namely OP EHR:</p> <ul style="list-style-type: none"> <li>Under Investment priority 10.3 (i.e. development of digital educational materials, tools and methods as well as organizational models supporting their use on a national level; development of digital competences of school teachers, headmasters and expert staff, specifically in the context of using ICT for teaching and learning and systemic support to schools in introducing ICT in teaching and learning).</li> </ul> <p>Under thematic objective 11 measures are envisaged for improving the e-literacy and e-skills of citizens. Thematic objective 11 aims at making the administrative processes more efficient, which is complementary to investments in this Priority Axis.</p>	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>maturity of the project design</li> <li>cost-effectiveness</li> <li>sustainability (esp. financial)</li> <li>implementation capacity</li> <li>alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the</li> </ul>	

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>implementation of the macro-regional strategies.</p> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>Conformity in preparatory phase of operations is precondition for selection of operation for financing within this investment priority.</p> <p>1. Under scheme supporting <u>NGN aggregation (backhaul) networks</u> - priority, ranked by importance, will be given to projects:</p> <ul style="list-style-type: none"> <li>• covering central administrative settlements in municipalities located in white and grey NGN backhaul areas;</li> <li>• covering areas with higher demand prospects (with larger number of existing internet connections or broadband penetration), in compliance with analyse for investment plans of private investors for NGA last-mile (access) networks (30 Mbps-100 Mbps);</li> <li>• connecting targeted public institutions (administration offices, educational, health, judiciary, touristic and cultural);</li> <li>• then, areas with high number of business support institutions and enterprises;</li> </ul> <p>Public design, build and operate investment model will be implemented. Rolled out networks shall be operated by beneficiary (O<sub>i</sub>V). Financing will cover investment costs for construction of aggregation networks and connection of target public institutions, up to maximum co-financing rate for priority axis. Investments in aggregation networks are technologically neutral. Considering its NGN nature and need to aggregate high-speed traffic from NGA access networks, projects will mostly support implementation of multi-fiber aggregation links. Implementation of wireless aggregation links will only be supported in sparsely populated areas.</p> <p>2. Under grant scheme for <u>development of NGA access networks (last mile)</u>, priority will be given to complex project proposals ensuring the introduction of fiber infrastructure (FTTx) in last-mile network segment, proposed by the local and regional authorities:</p> <ul style="list-style-type: none"> <li>• covering areas with higher demand prospects (with larger number of existing internet connections or broadband penetration),</li> <li>• ensure connections to targeted business zones, business support institutions and enterprises;</li> <li>• Showing higher socio-economic impact of availability of NGA access networks, especially the impact related to business activity in project area</li> </ul> <p>3. Project pipeline preparation support (for development of NGA access networks) - priority will be given to those local and regional administrative units with lowest economic prospects and institutional capacities (ranked and included in the list of assisted areas under the Law of Regional Development).</p>	

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
<p>Aid intensity will be determined on the level of each individual operation, depending on private contribution in each operation and subject to state aid rules.</p> <p>Decree on Standards for development of electronic communications infrastructure and of other related equipment (OG131/12) proscribes that electronic communications infrastructure and other related equipment should in principle be planned, in the corridor or route of communal infrastructure; synchronisation in relation to the planned infrastructure communal construction timelines is necessary. Cost savings and synergies would be achieved through coordination with transport and energy infrastructure projects financed under priority axes 4, 5 and 6 under OPCC</p>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
Not envisaged	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health
Not envisaged.	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		2c - Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
2c11	Number of institutions integrated in Government Cloud	Number	ERDF	Less developed			300.00	Project implementation reports	Annual
2c12	Number of e-services available	Number	ERDF	Less developed			15.00	Project implementation reports	Annual

### 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	2 - Use of Information and Communication Technologies

### 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis	2 - Use of Information and Communication Technologies

ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO10	O	ICT Infrastructure: Additional households with broadband access of at least 30 Mbps	Households	ERDF	Less developed			80.000,00			315.000,00	Project implementation reports	This indicator relate to operations representing the majority of resources allocated to investment priority 2a.  Together, with performance framework output indicator for investment priority 2c these two indicators relate to operations representing the majority of resources allocated to the priority axis 2.
PF2.1	F	Total amount of eligible expenditure certified'	EUR	ERDF	Less developed			84,356,572			362,297,271.00	Ministry of Finance	
2c11	O	Number of institutions integrated in Government Cloud	Number	ERDF	Less developed			40			300.00	Project implementation reports	This indicator represents majority of resources allocated to Investment Priority 2c.  Together with performance framework output indicator for investment priority 2a these indicators relate to operations representing the majority of resources allocated to the priority axis 2.

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

## Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		2 - Use of Information and Communication Technologies	
Fund	Category of region	Code	€ amount
ERDF	Less developed	045. ICT: Backbone/backhaul network	86,215,131.00
ERDF	Less developed	046. ICT: High-speed broadband network (access/local loop; >= 30 Mbps)	117,290,390.00
ERDF	Less developed	048. ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; also where embedded in other infrastructure such as research facilities, environmental and social infrastructure)	28,567,447.00
ERDF	Less developed	078. e-Government services and applications (including e-Procurement, ICT measures supporting the reform of public administration, cyber-security, trust and privacy measures, e-Justice and e-Democracy)	13,775,000.00
ERDF	Less developed	079. Access to public sector information (including open data, e-Culture, digital libraries, e-Content and e-Tourism)	11,400,000.00
ERDF	Less developed	080. e-Inclusion, e-Accessibility, e-Learning and e-Education services and applications, digital literacy	875,000.00
ERDF	Less developed	081. ICT solutions addressing the healthy active ageing challenge and e-Health services and applications (including e-Care and ambient assisted living)	38,486,057.00
ERDF	Less developed	121. Preparation, implementation, monitoring and inspection	11,343,651.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		2 - Use of Information and Communication Technologies	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Non-repayable grant	307,952,676.00
ERDF	Less developed	04. Support through financial instruments: loan or equivalent	0.00

Priority axis		2 - Use of Information and Communication Technologies	
Fund	Category of region	Code	€ amount
ERDF	Less developed	05. Support through financial instruments: guarantee or equivalent	0.00

**Table 9: Dimension 3 - Territory type**

Priority axis		2 - Use of Information and Communication Technologies	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	307,952,676.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		2 - Use of Information and Communication Technologies	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	307,952,676.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		2 - Use of Information and Communication Technologies	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	2 - Use of Information and Communication Technologies
<p>Under the investment priority 2a and 2c there is a need to provide the support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for investments in NGN broadband access infrastructure, development and functioning of Centre of Shared Services and development of e-services.</p> <p>Potential beneficiaries of NGA access networks (municipalities, towns and counties) grant scheme and Centre of Shared Services/e-services call for proposals (limited number of central state administration bodies) don't have capacity needed and skills to prepare high quality project documentation with all accompanying technical documentation by themselves, in order to apply and receive funding for infrastructural investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.</p>	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	3
<b>Title of the priority axis</b>	Business Competitiveness

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)**

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	3a
<b>Title of the investment priority</b>	Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	3a1
<b>Title of the specific objective</b>	Better access to finance for SMEs
<b>Results that the Member States seek to achieve with Union support</b>	<p>The anticipated result of interventions is to enhance access to public financial support for SMEs, corresponding to business needs in all stages of their development, by setting up financing instruments such as for example loans, guarantees, venture capital (or combination thereof).</p> <p>Financial instruments being set up under this SO will address a number of weaknesses of Croatian SMEs, such as low competitiveness (as evidenced by the IUS Report 2014), limited financial capacity, reduced technological capabilities, inadequate skills, all hindering their potential to innovate and compete. This particularly concerns start-ups, which are negatively affected by economic decline in the country, observed credit crunch and risk aversion manifested by financial institutions' sector, substantiated by the second draft of the ex-ante assessment for financial instruments and identified as a main strategic weakness and impediment for future growth.</p> <p>In light of the above, development of financial instruments in Croatia will facilitate SMEs to grow their businesses through investments into new ideas based on viable and competitive business models. Moreover, enhanced access to public financial support will increase the number of SMEs (including innovative SMEs and start-ups) using financial instruments. As regards loans and guarantees, the financial advantage for the eligible SMEs shall be evidenced by a reduction of the overall interest rate required by the financial institutions and/or collateral reduction on SME loans. Equity-type schemes will attract additional investments in SMEs, including innovative start-ups.</p> <p>Financing of SMEs through financial instruments co-financed by ERDF is on the overall also expected to increase the leverage of private funding, stimulate economic activity and help create and maintain jobs.</p> <p>Investment in financial instruments will therefore indirectly contribute to achievement of results targeted under other specific objectives within this PA - particularly to "Increase of value added per employee" and "Increase of number of innovative SMEs compared to total number of SMEs"- whilst under this SO the main result sought for is to improve access to finance for SMEs in order to tackle one of the key difficulties SMEs are faced with.</p> <p>Development of detailed implementation arrangements and ensuring their consistency with grant funding and other forms of</p>

	support, will be ensured through continuous work, improvement and coordination between all institutions involved in planning, coordination, implementation, monitoring and evaluation activities of the process. This shall also be supported under ongoing technical assistance.
<b>ID of the specific objective</b>	3a2
<b>Title of the specific objective</b>	Enabling favorable environment for business creation and development
<b>Results that the Member States seek to achieve with Union support</b>	<p>Specific objective will be achieved by focusing on improvements in the business support services and infrastructure for starting, developing and expanding a business and on enhancing the promotion of entrepreneurship among the society that will enable SMEs facilitated access to information, knowledge on development opportunities and high quality business services and infrastructure offered by the BSOs which will encourage people to start a business activity and develop SMEs.</p> <p>It is expected that SMEs across Croatia will recognize the BSOs as solid and high quality business services providers assisting effectively in solving SMEs business problems and consequently they will use the BSOs services and available infrastructure if needed. Due to cooperation between the BSOs and SMEs, the latter will improve their knowledge and competencies.</p> <p>This will strengthen SMEs' position on the market, improve their economic performance and consequently their survival rate. Due to support offered by the BSOs, both soft and infrastructure, number of start-ups in Croatia will increase. The support provided will contribute to develop opportunity driven entrepreneurship in Croatia which, as opposed to the necessity-driven one, has better sustainability and growth prospects.</p> <p>Interventions envisage a combination of information, training, advisory, mentoring, support to access finance and business infrastructure, which will address needs of SMEs, reduce asymmetry of information and ease SMEs to develop, grow and innovate. These services will be complemented by support to SME internationalisation (SO 3d1) and support via FIs and grants schemes.</p> <p>The need to increase the competences of entrepreneurs is also associated with the availability of relevant infrastructure and initiatives devoted to lifelong entrepreneurial learning (LLEL). Making physical infrastructure constructed under the SO available for SEECCEL, serving as policy development implementation center in LLEL and a center for teaching and training staff of Danube Region countries, shall enable development of entrepreneurially literate societies across the region and</p>

consequently contribute to its economic development.

Promotion of entrepreneurship shall result in an increased share of adults who think that successful entrepreneurs receive high status in the society, not only by promoting the success of businesses, but allowing creation of a positive business environment as the basis for SMEs growth and development. Due to the poor perception of entrepreneurs in Croatian society, attitude towards self-employment is more negative than in other EU States.

The results sought after are, a positive change in attitude towards entrepreneurship, increase of the opportunity driven entrepreneurs and thus increase in the number of newly registered SMEs, enabling business development and growth, upgrade of entrepreneurial skills and facilitation of access to high quality services and infrastructure.

Public funds to benefit the private sector, particularly under TO3, will be complemented by private funds, thus generating a significant leverage effect on EU and Croatian investment. Rate of private funding contributions will vary depending on the type of schemes (financial instruments, grant schemes, non-financial assistance), State aid regime and aid rates applicable to each scheme. The overall amount of private investment matching public support to enterprises will be monitored through the Management Information System.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		3a1 - Better access to finance for SMEs						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3a11	Access to public financial support including guarantees (% of respondents indicating deterioration)	%	Less developed	22.00	2014	15.00	Survey on the Access to Finance of Enterprises (SAFE)	Annual
Specific objective		3a2 - Enabling favorable environment for business creation and development						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3a21	Opportunity driven entrepreneurship	%	Less developed	29.80	2013	40.00	SBA Fact Sheet	Annual
3a22	Newly registered companies per year	Number	Less developed	13,491.00	2012	15,100.00	MEC calculations based on the Croatian Bureau of Statistics data	Annual

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p><b>SO 3a1 Better access to finance for SMEs</b></p> <p>Since Croatia did not include financial instruments under the NSRF 2007-2013, the proposed FIs' for 2014-2020 under TO3 build upon experience with the use of domestically funded measures, limited experience of CIP and best practice captured by other EU member states. Based on the completed Ex-ante Assessment Report on Financial Instruments for Business Competitiveness and Employment, suitable and innovative instruments adapted to the relevant market circumstances will be proposed.</p> <p>It has been preliminarily envisaged that for instance loans and guarantees funds would be mainly provided to SMEs for new capital investment that will improve their product and market profiles. Risk capital funds would be addressed to innovative SMEs, including innovative start-ups and those operating in the areas identified in S3, to invest capital in novel technology, high technology industries and knowledge intensive activities with high growth potential, including creativity oriented goods and services.</p> <p>Pending completion of the ex-ante assessment, preliminary illustration of actions to be financed is as follows:</p> <ul style="list-style-type: none"><li>• Individual guarantees towards bank loans;</li><li>• Micro-loans to start-up, micro businesses for investment in fixed assets in combination with working capital;</li><li>• Loans to SMEs for investments possibly based on risk-sharing with the commercial banking sector</li><li>• Small equity investments based on business angels concept in seed and early start-up phases technology incubation and acceleration with high growth prospects, especially in the priority areas identified in 3S Strategy - micro businesses;</li><li>• Venture capital-type equity investments in early and growth phases of high-tech companies.</li></ul> <p>Financial instruments will be complemented by 'soft' entrepreneurial support offered by BSOs. It is highlighted that lending operations will avoid</p>	

<b>Investment priority</b>	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>overleveraging of enterprises, particularly in the first three years of their operations.</p> <p>The above indicative list of financial instruments is subject to change in relation to changes in the investment strategy that might be deemed necessary during the course of OP delivery, based on market changes and related ex-ante assessment updates.</p> <p>Beneficiaries: Bodies implementing financial instruments entrusted in compliance with CPR art. 38 stipulations, including financial intermediaries and other eligible entities such as venture capital funds and other forms of public private partnership, selected on the basis of open, transparent, proportionate and non-discriminatory procedures, avoiding conflicts of interest.</p> <p>Target group: SMEs in all stages of development.</p> <p><b>SO 3a2. Enabling favorable environment for business creation and development</b></p> <p>It is envisaged to develop a coordinated network of professional BSOs, well recognizable by SMEs actively performing to encourage and ease SMEs, including start-ups, to use high quality services to develop, grow and innovate. The aim of the network coordination is to guarantee solid, professional services across Croatia based on demand (available at the appropriate quality level to facilitate all SMEs access to services provided), which will provide an integrated assistance to SMEs in all stages of lifecycle, tailored to their needs. The coordinated cooperation among the BSOs will reduce at the same time asymmetry of information (i. a. access to business know-how, partners, services and information) occurred among SMEs.</p> <p>Additionally, business infrastructure capacities among pro-innovative BSO will be developed to provide business working space according to the SMEs needs (e.g. laboratories). In parallel, SEECEL infrastructure together with equipment will be created. All the business support services under this SO will be complementary to financial instruments under 3a1 and direct support for SMEs under 3d1 and 3d2.</p> <p><u>Actions targeted under SO 3a2 are as follows:</u></p> <ul style="list-style-type: none"> <li>• <b>Development of BSOs services for SMEs</b> for example concerning regulatory framework, standards, certification, information on services and schemes available, including financial instruments, advisory on diagnosis of SMEs weaknesses and challenges to identify gaps/barriers to develop business activity and access to more structured business advisory services, turn-around strategies and trainings on the development of sustainable business activities for unemployed individuals who will receive complementary support from ESF TO8 intervention in the form of start-up self-employment loans. Advisory will cover also support to SMEs on shifting to low-carbon production, as well as on climate risk management and</li> </ul>	

<b>Investment priority</b>	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>adaptation. Mentoring for SMEs by other more experienced entrepreneurs to facilitate overcoming the difficulties - network of mentors will be created and developed. To ensure high quality of the services and sustainability of actions, the support will cover also BSOs staff competencies development, promotion of the services among SMEs and upgrade of facilities indispensable for providing services. Since provision of services through BSOs is to contribute to the successful implementation of all horizontal interventions co-financed under the OP, BSOs shall demonstrate inclusive character of the services offered and potential to support delivery of financial instruments and grant support under TO3.</p> <ul style="list-style-type: none"> <li>• <b>Support for pre-incubation services provided by pro-innovative BSOs</b> (such as accelerators) with appropriate infrastructure and services for seeking and selection of innovative ideas, support in setting up start-ups, including spin offs, on the basis of innovative ideas, covering analyses of innovation solution and its market potential (market analysis, business plan and feasibility study), preparatory works related to starting a business on the innovative idea and mentoring for access to market provided.</li> <li>• <b>Development of business infrastructure (BRI)</b> bringing direct benefit to SMEs following an analysis of existing infrastructure capacities, where the need for extended/new infrastructure is proven, covering development of such physical infrastructure as training facilities, business and technology incubation facilities, equipment (including ICT), common use/service facilities. The support covers also support for promotion of infrastructure and advisory and trainings for teams managing this infrastructure in order to ensure effectiveness and efficiency of the services provided to SMEs with the usage of the infrastructure.</li> <li>• <b>SEECEL</b> - design, development and construction of SEECEL as a modern policy development leader in this part of Europe and a think-tank in the development and promotion of entrepreneurial learning. It shall support alignment of national policies with EU LLEL recommendations. SEECEL's operations will be subsequently co-financed by the ESF under OPEHR in a complementary manner, following the completion of the ongoing IPA MB project activities in 2016.</li> <li>• <b>Promotion of entrepreneurship among society</b> including international and national conferences, workshops, seminars, organisation of discussion groups and networking events. Activities will also include dissemination and promotion of SMEs success stories, case studies, etc. Planned actions will be complemented with actions envisaged under OPEHR.</li> </ul> <p>Beneficiaries: Business Support Organisations (such as regional development agencies, entrepreneurial associations, accelerators, incubators, entrepreneurship centers, Croatian Chamber of Economy, Croatian Chamber of Crafts, Croatian Association of Cooperatives, SEECEL), self-governing units at local and regional level, national public authorities (including the MEC, HAMAG-BICRO).</p> <p>Target groups: SMEs, including business start-ups, (but also citizens, training and teaching staff).</p>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"><li>• clear and quantifiable contribution to the relevant output and result indicator targets</li><li>• maturity of the project design</li><li>• cost-effectiveness</li><li>• sustainability (esp. financial)</li><li>• implementation capacity</li><li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li><li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li></ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>In addition, all operations selected within IP 3 must demonstrate positive impact on competitiveness and/or innovativeness, technical readiness, including replication of good practice. Operations supported under financial instruments shall ensure significant leverage effect.</p> <p>Projects from less developed regions will receive additional points during the scoring process, higher co-financing rates and technical assistance, as applicable.</p> <p><b>3a1 Better access to development finance for SMEs</b></p> <p>Bodies implementing financial instruments will be entrusted in compliance with CPR art. 38 relevant stipulations taking into account the required skills and experience in order to ensure the efficiency in the delivery. Financial intermediaries shall be selected on the basis of open, transparent, proportionate and non-discriminatory procedures, avoiding conflicts of interest.</p>	

<b>Investment priority</b>	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
<p>Individual project assessment criteria established by independent financial intermediaries will be used to select operations delivered through financial instruments. These will comply with best practice and guiding principles laid down in the relevant delegated acts.</p> <p>Investments supported through financial instruments shall be primarily new investments and actions, i.e. not physically completed or fully implemented at the date of the investment decision by the respective financial intermediary.</p> <p>The demarcation line between financial instruments and grant assistance, as recommended under the ex-ante assessment, will avoid market distortion yet addressing most serious sub-optimal investment cases in the Croatian economy, i.e.: grant funding will primarily address initial investment based on substantiated developmental needs of riskiest undertakings, which may be non-bankable i.e. those in the early stages of company development (0-24 months) innovating through technology transfer, R&amp;D works, etc.</p> <p>Grants will only be offered if projects are able to reasonably demonstrate innovativeness and value added on regional, national or international level (e.g. SMEs in mid-to-high growth sectors), and/or capacity to create sustainable employment with demonstration that no displacement effects will take place. If such demonstration is not validated, financial instruments should be primarily used to facilitate investment projects. In labour-intensive tourism sector where return on investment is low and long, grant projects shall prove their adaptive capacity to seasonality-induced risks and broader community well-being.</p> <p><b>3a2 Enabling favorable environment for business creation and development</b></p> <p>BSOs performing under the network will be selected under open calls addressed to all entities providing services. The BSOs will be selected in open national calls among entities that will achieve the largest number of points, granted for meeting selection criteria.</p> <p>Selection criteria will cover e.g. geographical coverage of the BSOs, quality and type of support services, quality of business plan, relevance of services to local economy, number of potential clients to be served, experience in providing services to SMEs, number of service providers, experience in cooperation with other stakeholders, (local/regional authorities, university, TTO, ROs other BSOs, technical and financial capacities). Under the call minimum requirements to crucial selection criteria will be defined (e.g. geographical coverage, capacity and capability and scope of services offered).</p> <p>BSO applications originating from less developed or lagging behind areas will score additional points and these BSOs may receive additional technical assistance.</p>	

<b>Investment priority</b>	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
Business infrastructure development will be supported when the need for extended or new infrastructure is proven by the market, following an analysis of existing infrastructure capacities and if the business plans for its usage and specialised services provided to SMEs guarantee concrete results and sustainability of such infrastructure.	

#### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
Ex-ante assessment for the use of financial instruments is currently under way. It covers investment priorities under this TO3 and interventions to be financed from the ESF under TO 8 and TO 9. Preliminary findings/recommendations of the ex-ante assessment include the implementation of SMEs lending, guarantee schemes, micro loan programmes, venture capital and support to angel investments. The use of financial instruments is definite and the completion of the ex-ante assessment is scheduled for February 2015 (first draft was already consulted with the main OP stakeholder). It is anticipated that the assessment will ultimately confirm the scope of financial instruments along with their more detailed design as well as selection and/or entrustment modalities of financial intermediaries.	

#### 2.A.6.4 *Planned use of major projects* (where appropriate)

<b>Investment priority</b>	3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
No major projects have been foreseen under PA3 thus far.	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Less developed			3,360.00	Project implementation reports	Annual
CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	ERDF	Less developed			2,507.00	Project implementation reports	Annual
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	ERDF	Less developed			2,650.00	Project implementation reports	Annual
CO05	Productive investment: Number of new enterprises supported	Enterprises	ERDF	Less developed			340.00	Project implementation reports	Annual
CO07	Productive investment:	EUR	ERDF	Less developed			87,500,000.00	Project implementation	Annual

Investment priority		3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Private investment matching public support to enterprises (non-grants)							reports	
CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	ERDF	Less developed			2,848.00	Project implementation reports	Annual
3a21	Physical infrastructure equipped and/or constructed	m2	ERDF	Less developed			66,000.00	Project implementation reports	Annual
3a22	Business Support Organisations supported	Number	ERDF	Less developed			72.00	Project implementation reports	Annual

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	3d
<b>Title of the investment priority</b>	Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

#### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	3d1
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<b>Title of the specific objective</b>	SMEs' development and growth improved in domestic and foreign markets
<b>Results that the Member States seek to achieve with Union support</b>	<p>Result that is aimed at in this specific objective, to increase performance of the SME sector, depends on a set of factors: creation and the extension of capacities for processes, goods and services development, sustaining and increasing employment, value added, sales on foreign markets and adoption of new solutions, including technologies.</p> <p>The increase of SMEs development potential and growth of labour productivity will be achieved by supporting the upgrading and expanding of technological capacities and business processes, suitable for manufacturing and provision of competitive, high quality products and services with significant added value. Providing support to SMEs' investments for the development of economically viable and innovative tourism products, connected with quality of tourist destinations, shall increase SMEs' competitiveness and help minimize the effects of seasonality. As horizontal measure, the SME sector will have the opportunity to implement "green technologies" as added value to their investments. Implementation of modern information and communication technologies (ICT) creates the possibility for optimizing the functioning of enterprises and affects directly the growth of innovativeness and competitiveness of the economy. The aim is to finance SMEs projects to deploy e-business solutions, optimising business processes associated with the production and/or provision of services and the organisation of operations using ICT, which will also enable SMEs to adapt more quickly to the ever changing business environment. The aim is also to enhance interconnectivity by providing support to the creation and development of clusters and cooperatives, and other forms of supply and value chains, essential for achieving better cohesion in the production chain and which can help SMEs benefit more from the market opportunities offered, and improve their performance</p> <p>In order to enable the access of SMEs to single and international markets, it is necessary to support them in meeting the applicable requirements of standards, conformity assessment and certification thus improving the quality and conformity of their goods, services or processes. The Croatian SMEs wishing to enter EU and international markets and sellers who want to strengthen their export activities have a need for support and reliable information and advice on the opportunities to enter into or expand in international markets, as well as more dedicated support in the process. It is expected that by investing more into such activities, more SMEs will be better prepared to enter foreign markets and increase sales of new products internationally. Furthermore, attracting a greater share of FDI by promoting Croatian regions will also create opportunities for local SMEs to integrate into global supply chains and benefit from positive externalities associated with export oriented FDI. Promoting new tourist products and developing "year round" approach will be also supported under this OP, in order to tackle the seasonality which is harming the SME development, as well as to maintain the key markets and enable SMEs in reaching new ones.</p> <p>To summarize, the results expected to be achieved under this SO will contribute to increase of SMEs' sales income,</p>

	particularly from sales abroad, and increase of value added per employee due to new or upgraded processes, goods and services and skills and upgrade in value chain.
<b>ID of the specific objective</b>	3d2
<b>Title of the specific objective</b>	SMEs innovativeness enhanced
<b>Results that the Member States seek to achieve with Union support</b>	<p>As the SMEs sector is seen as a significant element of Croatian economy with potential to develop and grow, improvement of the innovativeness of that sector and more engagement in innovation activities is required to enhance the innovativeness of Croatian economy.</p> <p>This SO will support SMEs capacities to innovate by covering investments in implementation of new solutions - technologies, product, process and organisational innovations, including marketing innovations, design and innovation advisory, including IPR and support services, which will result in innovative, including non R&amp;D based solutions applied by SMEs.</p> <p>Complementary to the TO1 support to R&amp;D activities of SMEs under this SO support will be provided to commercialisation of R&amp;D results (both carried out by SMEs' themselves or bought on the market) into business activity, which will result in R&amp;D based innovations applied by SMEs. Additionally, IPR protection and management will be also supported under this SO.</p> <p>The investment and soft support under this SO will result in new, innovative goods and services provided by the supported SMEs on the market and increase of patent applications and develop know how.</p> <p>Another aim of this SO is to support directly innovative start-up enterprises focusing in their business activity on advanced and innovative, high value added goods and services. This measure is complementary to the support under SO 3a1 and SO 3a21, where financial instruments will support bankable projects and support to incubators and accelerators for start-ups in early stages of their operations will offer an overall integrated support.</p> <p>It is expected that over time, and also coupled with results of interventions such as collaboration projects between HEI&amp;PRO and SMEs under TO1, there will be more such innovative start-ups in areas outside traditional industries and regions if their projects are estimated to be viable.</p>

Establishment of processes and technological capacities based on mid- and high-tech technology for competitive high quality goods/services with high added value to the industries where Croatia has strengths and comparative advantages, defined in S3 strategy, will enhance the competitiveness of important segments of the economy, resulting in renewed and sustainable economic growth and better employment, important for any country seeking to move towards a knowledge based economy.

The result expected to be achieved under SO 3d2 is an increase of number of innovative SMEs compared to total number of SMEs.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		3d1 - SMEs' development and growth improved in domestic and foreign markets						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3d11	Value added per employee in SMEs	EUR per employee	Less developed	16,824.00	2012	25,000.00	EUROSTAT	Annual
3d12	Share of SME export in total export of goods	%	Less developed	44.00	2012	47.50	MEC own calculation based on the Croatian Bureau of Statistics data	Annual
Specific objective		3d2 - SMEs innovativeness enhanced						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3d21	Innovative SMEs compared to total number of SMEs	%	Less developed	33.10	2012	35.00	Croatian Bureau of Statistics	Every 2 years

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<b><u>3d1 SMEs' development and growth improved in domestic and foreign markets</u></b>	
<p data-bbox="136 587 1167 624"><u>1) Improvement of SME business development and technological readiness by:</u></p> <ul data-bbox="136 655 2145 986" style="list-style-type: none"><li data-bbox="136 655 2145 879">• Initial investments resulting in the setting up of a new or extension of the existing capacity, diversification of the output of a company into products, not previously produced (new goods or services) or a fundamental change in overall production process. Such initial investment covers investment in tangible (land, building and plant, machinery and equipment, also related to energy, natural resources and raw materials efficiency) and intangible assets (assets that do not a physical or financial embodiment such as patents, licensees, know-how or other intellectual property, industrial design and other 'creative industry' solutions and introduction of non-technological solutions intended for increasing the effectiveness of production and service provision activities) including those leading to reduction of an adverse impact on the environment;</li><li data-bbox="136 911 2145 986">• Trainings and advisory services directly related to new outputs of the company (production of goods and rendering services) and new production processes, resulting from the initial investment.</li></ul> <p data-bbox="136 1018 2145 1129">In the tourism sector the SMEs will be supported in the above mentioned scope for the purpose of achieving high quality, sustainable, affordable goods and services, contributing to raising quality and development of tourist destinations, in particular the underdeveloped ones, taking into account destination-based approach, which will result in enriching tourist offer and thus extension of the tourism season.</p> <p data-bbox="136 1161 2145 1241">Projects of SMEs with the primary goal of improving energy efficiency of their facilities and/or increasing energy independence and/or investing in renewable energy sources (RES) will be supported under TO4;</p> <p data-bbox="136 1273 600 1310">Beneficiaries/target groups: SMEs</p>	

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<p data-bbox="136 264 2145 296"><u>2) Support to enterprises in meeting the applicable requirements of standards, conformity assessment and certification of products/services/processes</u></p> <p data-bbox="136 328 2145 480">In order to increase competitiveness and enable access to single and international markets the support will be provided to the introduction of quality, environmental, process-management and other control and management systems, certificates and standards including carrying out a conformity assessment, setting up an electromagnetic comprehensiveness technical file and obtaining declaration of conformity (EC or other) and assuring preconditions by accreditation of conformity assessment bodies to carry out specific conformity assessment tasks.</p> <p data-bbox="136 512 607 544">Beneficiaries / target groups: SMEs</p> <p data-bbox="136 576 1115 608"><u>3) Enhancing interconnectivity of SMEs to strengthen their market position</u></p> <p data-bbox="136 647 2145 719">Under this action support will be provided within a bottom up approach towards clusters, complementary to SO 1b.2, where the crucial - from the national perspective – preselected in the S3 Strategy competitiveness clusters will be supported.</p> <p data-bbox="136 751 517 783">Support will be provided for:</p> <ul data-bbox="203 823 2145 935" style="list-style-type: none"> <li>• Investment related to construction or upgrade of innovation clusters, covering costs in intangible and tangible assets and operating costs, as well as training and advisory directly related to the investment;</li> <li>• Other clusters and cooperatives in their initial investments, training and advisory services directly related to the initial investment.</li> </ul> <p data-bbox="203 967 1357 999">Support for R&amp;D projects of the innovation clusters will be available under TO1, SO 1b1.</p> <p data-bbox="136 1031 1391 1062">Beneficiaries/target groups: clusters, cooperatives and networks, including innovation clusters[1].</p> <p data-bbox="136 1102 1122 1134"><u>4) Improving the competitiveness and efficiency of enterprises through ICT</u></p> <ul data-bbox="136 1174 2145 1348" style="list-style-type: none"> <li>• Support to enterprises introducing and implementing e-business solutions provided by ICT optimising the business processes, integrating business functions, streamlining workflows and enhance interactions with clients and suppliers, to improve their market position and increase their competitiveness.</li> <li>• Supporting e-services creation and provision between enterprises (B2B) and implementation of ICT solutions aimed at establishing processes that extend beyond the boundaries of the enterprise such as supply chain management and customer relationship management, training of employees for work</li> </ul>	

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<p>with new ICT systems.</p> <ul style="list-style-type: none"> <li>• Supporting initiatives aimed at digitalisation of business services and products. Beneficiaries / target groups: SMEs</li> </ul> <p>5) <u>Internationalisation of growing and innovative SMEs, covering actions as follows:</u></p> <ul style="list-style-type: none"> <li>• Direct support to the SMEs related to internationalization and markets expansion (covering participating in trade fairs or of studies /consultancy services needed for the launch of a new or existing product on a new market)</li> <li>• Nonfinancial support for SMEs involved in internationalisation via BSOs, covering: <ul style="list-style-type: none"> <li>- foreign markets analyses, including global trends, analyses of SMEs active in foreign markets;</li> <li>- preparation of market entrance strategies of SMEs (in certain branches with high expansion potential) to facilitate SMEs access to foreign markets;</li> <li>- cooperation with foreign BSOs, organising missions to international trade shows and other events (including matchmaking events);</li> </ul> </li> <li>• Promoting internationalisation of business activities among SMEs (including information campaigns promoting international operations of SMEs),</li> <li>• Support to the comprehensive promotion of tourism products (both services and goods), including e.g. campaigns and events promoting tourism products and thus contributing increasing competitiveness of SMEs in tourism.</li> <li>• Support related to investment promotion and FDI facilitation (organization of investment outreach campaigns, international investment fairs and investment missions) to attract direct investments, especially open for cooperation with SMEs in Croatia.</li> </ul> <p>Beneficiaries: SMEs, networks and clusters, including innovation clusters, the MEC in cooperation with regional authorities and BSOs (such as entrepreneurial associations, Croatian Chamber of Economy, Croatian Chamber of Crafts, Croatian Association of Cooperatives, HAMAG-BICRO) involved in internationalization related activities.</p> <p>Target group: SMEs.</p>	

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<b><u>3d2 SMEs innovativeness enhanced</u></b>	
1) <u>Supporting innovation in SMEs, which covers:</u>	
<ul style="list-style-type: none"> <li>• Investments indispensable for implementation of R&amp;D results (commercialisation) (both carried out by the SME itself or bought on the market, including outputs of the support under TO1) into business activity and start production based on the implemented solution, covering further works required to adjust solution to individual needs of SME, covering costs of tangible and intangible assets, industrial design, indispensable specified trainings and advisory, service development and promoting entry on the market.</li> <li>• Investments related to implementation of new solutions - technologies, product, process and organisational innovations, including marketing innovations, design (including identification of technological breakthrough directions, technological audits and preparation of plans for technology development and related necessary investments);</li> <li>• aid for innovation advisory and support services, including advisory for SMEs for IPR protection and management covering patent obtaining and validating (direct preparation costs and patent application, invention submission, industrial designs and utility models (excluding patent application costs related to protection only on territory of Croatia) and implementation of IPR, including freedom-to-operate analyses and its defending, as well services related to esp. to proof of innovative concept, feasibility studies, business model planning, market research, market testing and preliminary technical and laboratory testing;</li> </ul>	
Beneficiaries / target groups: SMEs (including start-ups and spin-offs).	

#### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:	
<ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> </ul>	

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<ul style="list-style-type: none"> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>In addition, all operations selected must demonstrate positive impact on competitiveness and/or innovativeness, financial viability, technical readiness, growth potential, including replication of good practice. To support balanced regional development, projects from less developed regions will receive additional points during the scoring process, higher co-financing rates and technical assistance, as applicable. Moreover, specific aid schemes only for less developed, demographically or geographically deprived areas could be designed, as needed.</p> <p>Appraisal of projects will be subject to detailed selection criteria approved by the Monitoring Committee. Non exhaustive list of criteria for selection of operations includes:</p> <ul style="list-style-type: none"> <li>• the level of innovativeness of proposed projects understood as novelty level of solution,</li> <li>• contribution to the competitiveness in the given sector or territory (country, region)</li> <li>• cooperation among enterprises,</li> <li>• involvement in internationalisation,</li> <li>• growth potential on the market (international, national, regional),</li> <li>• contribution to achieving the objectives linked to non-carbon production and risk management/adaptation to climate change effects,</li> <li>• complementarity with TO1, TO4, TO6 and TO9, whenever appropriate.</li> </ul> <p>In SO 3.d.2. priority will be given to SMEs in mid- and high-tech technology areas as well as in all knowledge-intensive industries, including services and creative industries with best sustainable growth opportunities.</p> <p>Preference will be given to SMEs who want to implement R&amp;D projects results (i.e., focus on their commercialisation), supported under TO1 and those</p>	

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
operating primarily in sectors defined by S3 strategy.	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
Financial instruments that will also contribute to the achievement of goals of I.P. 3.4. are planned to be developed under TO3 IP 3.1. Further development of this part shall be finished after the completion of ex-ante assessment.	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
No major projects have been foreseen under TO3 so far.	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes					
ID	Indicator	Measurement unit	Fund	Category of region (where	Target value (2023)	Source of data	Frequency of

				relevant)	M	W	T		reporting
CO01	Productive investment: Number of enterprises receiving support	Enterprises	ERDF	Less developed			3,070.00	Project implementation reports	Annual
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	Less developed			2,870.00	Project implementation reports	Annual
CO05	Productive investment: Number of new enterprises supported	Enterprises	ERDF	Less developed			140.00	Project implementation reports	Annual
CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	ERDF	Less developed			313,000,000.00	Project implementation reports	Annual
CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	ERDF	Less developed			4,540.00	Project implementation reports	Annual
CO27	Research, Innovation: Private investment matching public support in innovation or	EUR	ERDF	Less developed			180,000,000.00	Project implementation reports	Annual

	R&D projects								
CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products	Enterprises	ERDF	Less developed			110.00	Project implementation reports	Annual
CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	ERDF	Less developed			250.00	Project implementation reports	Annual
3d11	SMEs that received support for internationalisation	Number	ERDF	Less developed			500.00	Project implementation reports	Annual

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	3 - Business Competitiveness
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## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis	3 - Business Competitiveness
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ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO02	O	Productive investment: Number of enterprises receiving grants	Enterprises	ERDF	Less developed			947			2,870.00	Project implementation reports	Selected indicator relate to operations representing the majority of resources allocated to the Priority axis 3 (more than 50%).
PF3.1	F	Total amount of certified eligible expenditure	EUR	ERDF	Less developed			265,709,249.00			1,141,176,480.00	Ministry of Finance	

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

#### Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis		3 - Business Competitiveness		
Fund	Category of region	Code		€ amount
ERDF	Less developed	001. Generic productive investment in small and medium –sized enterprises ('SMEs')		549,000,000.00
ERDF	Less developed	064. Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation)		80,000,000.00
ERDF	Less developed	066. Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)		123,000,000.00
ERDF	Less developed	069. Support to environmentally-friendly production processes and resource efficiency in SMEs		78,000,000.00

Priority axis		3 - Business Competitiveness	
Fund	Category of region	Code	€ amount
ERDF	Less developed	072. Business infrastructure for SMEs (including industrial parks and sites)	140,000,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		3 - Business Competitiveness	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Non-repayable grant	720,000,000.00
ERDF	Less developed	03. Support through financial instruments: venture and equity capital or equivalent	21,000,000.00
ERDF	Less developed	04. Support through financial instruments: loan or equivalent	196,000,000.00
ERDF	Less developed	05. Support through financial instruments: guarantee or equivalent	33,000,000.00

**Table 9: Dimension 3 - Territory type**

Priority axis		3 - Business Competitiveness	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	970,000,000.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		3 - Business Competitiveness	
Fund	Category of region	Code	€ amount

Priority axis		3 - Business Competitiveness	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Integrated Territorial Investment – Urban	60,000,000.00
ERDF	Less developed	07. Not applicable	910,000,000.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		3 - Business Competitiveness	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	3 - Business Competitiveness
Technical assistance types of actions are envisaged under the Technical assistance priority axis of this OP.	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	4
<b>Title of the priority axis</b>	Promoting Energy Efficiency and Renewable Energy Sources

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)**

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	4b
<b>Title of the investment priority</b>	Promoting energy efficiency and renewable energy use in enterprises

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	4b1
<b>Title of the specific objective</b>	Increasing energy efficiency and use of RES in manufacturing industries
<b>Results that the Member States seek to achieve with Union support</b>	<p>Overall private companies lack adequate knowledge and awareness on the potential for more energy efficient production. That is reflected in the poor and ineffective energy efficiency plans and understanding of appropriate measures and energy savings. Such situation is additionally emphasized by the economic crisis which prevents majority of companies in investing even in measures (such as EE) which will ultimately lead to the benefits. The overall aim of this Specific objective is to assist private manufacturing industry companies in reversing such situation.</p> <p>Specifically, this SO will support measure contributing to the following two main results:</p> <ul style="list-style-type: none"> <li>• Increasing efficiency of energy usage in the manufacturing industries i.e. enabling production of same amount of (production) output using the less energy input. This result is reflected via indicator measuring total annual energy savings achieved.</li> <li>• Decrease in the share of conventional (fossil based) fuels out of the total energy consumption through introduction (switch to) renewable energy sources in the manufacturing industry sector. This result is reflected via indicator measuring increase in the RES share in the final energy consumption.</li> </ul> <p>The activities and corresponding results of the SO will relate to the following type of industries: iron and steel, non-ferrous metal, chemical, glass, pottery and building material, ore-extraction, textile, lather and clothing, paper and printing, engineering and other metal and other industries excluding food, drink and tobacco industry.</p> <p>As for the concrete goals / results they are strictly related to the targets set in the 3rd National Action Plan on Energy Efficiency (industry sector will constitute with 13% of overall EE target by 2020). And National Action Plan for Renewable Energy Sources to 2020 (increasing RES in the final energy consumption in heating and cooling from current 13.5% in 2012 to 19.6%).</p> <p>Taking into account allocation envisaged for this SO, it is estimated (on the basis of Necessary measures and their respective costs as defined in the strategic documents - Third National Energy Efficiency Action plan, National RES Action plan as well as National programmes for renovation of commercial buildings) that this OP could contribute by 30% to the targets set for</p>

	<p>manufacturing industries. It is important to note that these measures include not just energy efficiency but also RES projects as well. Such assumption is based also having in mind that this SO includes private sector (potentially SMSs as well as large enterprises) and therefore it is estimated that the in general (or average) level of ESI funding at the project level (not Priority axis) will not be higher than 40%. These results reflected in the indicators on the annual energy savings and increase in the RES share are based on necessary measures and their respective costs defined in the strategic documents – third National Energy Efficiency Action plan, National RES Action plan and National programmes for renovation of (various types of) buildings.</p> <p>Those measures will on the one hand contribute to the achievement of national and EU energy / climate change goals but they will result in increased competitiveness of the enterprises due to improvements of energy efficiency and more advanced energy management as an overall concept. It is important to note that this specific objective encompass all the enterprises (not just SMEs), but of course subject to the relevant state aid rules.</p>
<b>ID of the specific objective</b>	4b2
<b>Title of the specific objective</b>	Increasing energy efficiency and use of RES in private service sector (tourism and trade)
<b>Results that the Member States seek to achieve with Union support</b>	<p>In the service sector there is also a lack of adequate knowledge and awareness on the potential for more energy savings. That is reflected in the poor and ineffective energy efficiency plans and understanding of appropriate measures and energy savings. Such situation is additionally emphasized by the economic crisis which prevents majority of private companies in investing in measures (such as EE) which will ultimately lead to less energy consumption and more use of RES. The overall aim of this SO is to assist service sector specifically tourism and trade in reversing such situation.</p> <p>Specifically, this SO will support measure contributing to the following two main results:</p> <ul style="list-style-type: none"> <li>• Increasing efficiency of energy usage in the service sector i.e. enabling providing of same amount of (service) output using the less energy input. This result is reflected via indicator measuring total annual energy savings achieved.</li> <li>• Decrease in the share of conventional (fossil based) fuels out of the total energy consumption through introduction (switch to) renewable energy sources in the service sector preferably self-producer/consumer. This result is reflected via indicator measuring increase in the RES share in the final energy consumption.</li> </ul>

The activities and corresponding results of the SO will relate to the following type of service subsectors: tourism and trade.

The 3rd National Action Plan on Energy Efficiency estimates that saving in the service sector will constitute 13% of the total savings target for 2020. Service sector will have an important role in achieving RES goals for 2020, especially target for increasing RES in the final energy consumption in heating and cooling. The latter is of particular importance since around 45% of the final energy consumption in the commercial buildings in southern part of Croatia is dedicated to the cooling only. Therefore it is envisaged that majority of investments will be attributed to the solar energy production and measures for increasing efficiency of cooling systems.

Taking into account allocation envisaged for this SO, it is estimated (on the basis of Necessary measures and their respective costs as defined in the strategic documents - Third National Energy Efficiency Action plan, National RES Action plan as well as National programmes for renovation of commercial buildings) that this OP could contribute by up to 30% to the targets set for service sector. It is important to note that these measures include not just energy efficiency but also RES projects as well. Such assumption is based also having in mind that this SO includes private sector (potentially SMSs as well as large companies) and therefore it is estimated that the in general (or average) level of ESI funding at the project level (not Priority axis) will not be higher than 40%. These results reflected in the indicators on the annual energy savings and increase in the RES share are based on necessary measures and their respective costs defined in the strategic documents – third National Energy Efficiency Action plan, National RES Action plan and National programmes for renovation of (various types of) buildings.

Those measures will on the one hand contribute to the achievement of national and EU energy / climate change goals but they will result in increased competitiveness. It is important to note that this specific objective encompass all the service providers (not just those falling under SMEs) but of course subject to the relevant state aid rules.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		4b1 - Increasing energy efficiency and use of RES in manufacturing industries						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4b11	Renewable energy in gross final energy consumption in the manufacturing industries	1000 toe	Less developed	51.00	2012	56.00	Ministry of Economy	Annually
4b12	Energy savings in manufacturing industries	PJ	Less developed	1.21	2010	1.91	Ministry of economy	Annually
Specific objective		4b2 - Increasing energy efficiency and use of RES in private service sector (tourism and trade)						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4b21	Renewable energy in gross final energy consumption in the service sector	1000 toe	Less developed	10.30	2012	11.33	Ministry of Economy	Annually
4b22	Energy savings in service sector	PJ	Less developed	0.33	2010	0.63	Ministry of economy	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	4b - Promoting energy efficiency and renewable energy use in enterprises
Main target groups and beneficiaries:	
SO 4b1 and SO 4b2	
Enterprises (including SMEs and larger enterprises)	
Example of actions to be financed to achieve the specific objectives:	
SO 4b1 and SO 4b2	
<ul style="list-style-type: none"><li>• Development of infrastructure for renewable energy sources in manufacturing industries and service sector (tourism and trade) including switch from conventional to alternative (RES) energy such as: installation of solar collectors, heat pumps, high efficient co-generation</li><li>• Implementation of measures for increasing energy efficiency in manufacturing industries and service sector (tourism and trade) including:<ul style="list-style-type: none"><li>• “soft measures”- introduction of systematic energy management, performance of energy audits, control of analyses of energy consumption, preparation of plans for more efficient management of energy, institutional and organisational assessment and proposal for optimising business processes in terms of energy savings;</li><li>• Infrastructure investments such as smart metering and physical refurbishment of objects that will contribute to achieving energy efficiency targets, improvement of the currently used technologies, implementation of pilot projects.</li></ul></li><li>• Promotional activities (informational stands, brochures, commercials, spots) and advisory services for business</li></ul>	

<b>Investment priority</b>	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>Having in mind that SMEs are receiving funding primarily from the Priority axis 3 the demarcation of the possible (energy related) activities between PA3 and PA4 will be ensured as follows: in the cases where energy related measures are part of the integral modernisation of manufacturing technologies, equipment and machinery (for example purchase of new production lines) those measures will be financed from PA3. In the case of projects encompassing only the energy measures in the SME (either energy efficiency ones or RES) then the financing will be done through the PA4. Energy efficiency measures that are dedicated to the renovation of industry / service buildings as such (e.g. management buildings or production hall) will be financed from the PA 4.</p>	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	4b - Promoting energy efficiency and renewable energy use in enterprises
<p><b>Common principles</b></p> <p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p><b>SO Specific principles</b></p>	

<b>Investment priority</b>	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>In terms of eligibility of activities energy audit will not be considered eligible if it applies as mandatory according to the Article 8, para 4 of the Energy Efficiency Directive (2012/27/EU).</p> <p>Since this Investment priority (both Specific objectives) covers investments in private sector, within selection the care will be taken in order to avoid over financing of the individual projects i.e. to use public resources to provide undue advantage to the beneficiary on the market, to allow adequate leverage of private sources as well as to assure that the contribution from the ESI does not result in a substantial loss of jobs in existing locations within the Union. Additionally in accordance with the Article 3 of the Regulation 1301/2013 no financing of undertakings in difficulties will be allowed.</p> <p>Since these SOs concern primarily market oriented beneficiaries (enterprises) the special care would be taken in order to ensure compliance with the applicable state aid rules as detailed in the Guidelines on state aid for environmental protection and energy 2014-2020, including the maximum aid intensity rate which is lower for the private sector than the public one. In addition during the selection procedure priority will be given to the project providing for measures aiming above required environmental / energy standards and projects providing biggest benefits in terms of energy consumption reduction and reduction of GHG. Concrete thresholds, to select projects ensuring bigger energy savings and/or higher use of RES, will be developed within the specific calls for projects, and might vary depending of the type of the investment and the specific industry.</p> <p>When it comes to the RES production that can be applied for “feed in tariff” it is important to note that beneficiary will not be allowed to apply for “feed in tariff” (for the produced RES) and ESIF support in parallel, i.e. if it applies for the ESIF under this OP it will not be granted “feed in tariff” and vice-versa. The respect of this rule will be monitored by the Ministry of economy that is a part of the management structure for this OP and also participates in the process of granting “feed in tariff”.</p>	

### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>It is intended to use financial instruments for both Specific objectives under investment priority due to the nature of the planned investments. It is expected for the EIB to carry out ex-ante assessment and provide assistance in establishment of a financing instrument in several sectors including energy efficiency and renewable energy sources. However since financing instrument is complex mechanism but also in the absence of valuable experience with using a financial instrument in the past, it is expected that its set-up will require relatively significant amount of time and resources. Therefore it is intended to use</p>	

<b>Investment priority</b>	4b - Promoting energy efficiency and renewable energy use in enterprises
<p>more classical type of funding i.e. grant scheme in the meantime. Such financing system is being developed in cooperation and under guidance of Jaspers and it is building upon the existing and running programme (to extend possible) for energy renovation of buildings as well as work / advice of the World bank study on delivery and financing to scale up energy efficiency in the building sector. This funding system will only serve as a phasing tool in order to bridge period until the financing instrument is up and ready. That means that grant scheme type of funding will be of limited (financial) coverage compared to the overall allocation and it will be structured in a way to avoid over subsidization of the individual investments.</p>	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	4b - Promoting energy efficiency and renewable energy use in enterprises
Not envisaged	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>4b - Promoting energy efficiency and renewable energy use in enterprises</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
CO01	Productive investment: Number of enterprises	Enterprises	ERDF	Less developed			50.00	Ministry of Economy	Annually

Investment priority		4b - Promoting energy efficiency and renewable energy use in enterprises							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	receiving support								

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	4c
<b>Title of the investment priority</b>	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	4c1
<b>Title of the specific objective</b>	Reduction of energy consumption of the public sector buildings
<b>Results that the Member States seek to achieve with Union support</b>	<p>Specifically, this SO will primarily support measure contributing to the achievement obligation stemming from the Energy Efficiency Directive (2012/27/EU), to renovate (in terms of EE) 3% of the total floor area of heated and/or cooled buildings owned and occupied by its central government each year to meet at least the minimum energy performance requirements. In terms of specific results it is estimated that having in mind available allocation it would be possible to contribute up to 90% of the goals and measures as set by the National programme for the renovation of public buildings and 3rd NEEAP (i.e. in terms of savings). That means that the expected results (besides achieving mentioned objective of renovation of 3% per year) will encompass decrease of the of energy consumption for cooling/heating of the renovated public buildings for 70% thus achieving annual savings of around 50 GWh.</p> <p>This estimate is based on the assumption that level of ESI funding for renovation of public buildings will be higher that one for the industry/service sector. Such significant expected contribution is due to the fact that largest parts of the indicative allocation for PA4 is dedicated to the investments in the public buildings because on the one hand public buildings present significant potential for energy and costs savings and on the other hand the public sector is expected to take an exemplary role</p>

	<p>i.e. provide investments and behaviour change that will serve as an example and catalyst for similar investments in other type of buildings.</p> <p>As regards renewables, significant potential exists in the area of RES with the focus on use of biomass, solar energy and heat pumps. That potential will be targeted through the <u>integrated approach</u> i.e. in a way that RES facilities for generation of energy for the purpose of the specific buildings will be supported along with EE measures, primarily for the heating/cooling purposes.</p>
<b>ID of the specific objective</b>	4c2
<b>Title of the specific objective</b>	Reduction of energy consumption of the residential buildings (multi apartment buildings and family houses)
<b>Results that the Member States seek to achieve with Union support</b>	<p>In terms of specific results it is estimated that having in mind available allocation it would be possible to contribute up to 30% of the goals and measures as set by the National programme for the renovation of multi apartment buildings and family houses and 3rd NEEAP (i.e. in terms of savings). That means that the expected result will encompass decrease of the of energy consumption for cooling/heating of the renovate buildings for 70% thus achieving annual savings of around 40 GWh. Also it is estimated that during the programing period some 10.000 households (including several households within multi apartment buildings and individual households within family houses) will benefit of improved energy management and consumption. This estimate is based on the assumption that level of ESI funding for renovation of residential buildings (both multi apartment and family houses) will be higher that one for the industry/service sector, but lower than the one for public buildings.</p> <p>As regards renewables, significant potential exists in the area of RES with the focus on use of biomass, solar energy and heat pumps. That potential will be targeted through the <u>integrated approach</u> i.e. in a way that RES facilities for generation of energy for the purpose of the specific buildings (houses) will be supported along with EE measures, primarily for the heating/cooling purposes.</p>
<b>ID of the specific objective</b>	4c3
<b>Title of the specific objective</b>	Improvement of the efficiency of the district heating system
<b>Results that the Member States seek to achieve with Union support</b>	The main objective of this SO relates to the improvements in the energy efficiency of the overall district heating system and the level of service provided to the households. Therefore the main results corresponding to set objectives concern savings in

	<p>the final energy consumption primarily due to the decrease of losses of DH network.</p> <p>Having in mind estimated from the World Bank “Assessment – Issues and Options for the district heating sector”, which estimated need for renovation of 80% of the network up to 100 m€ it can be anticipated that major part of the DH network can be physically renovated within this SO. More specifically it is estimated that reduction in heat losses resulting from the investment could deliver up to 1PJ of energy savings about 5% of the total 3rd NEEAP target. Additionally, the investments will deliver reductions in CO2 emissions through the improved energy efficiency of the DH systems and the replacement of fuel oil-fired boilers with cleaner fuels but this result is difficult to be quantified at this moment. As for the direct decrease in loses of heat it is expect that in renovated parts of the District heating network those loses will not be higher that 10% (which is upper limit of the international standards).</p>
<b>ID of the specific objective</b>	4c4
<b>Title of the specific objective</b>	Improvement of the efficiency of the public lighting system
<b>Results that the Member States seek to achieve with Union support</b>	<p>The main result is expected in electricity consumption savings. In 3rd NEEAP it is projected for 3/4 of the total electricity consumption for public lighting to be covered by the adequate measures for the public lighting system modernisation by 2020. From the experience of the nationally funded programmes it is expected that measures in the public lighting system can result with savings amounting up to 60 GWh/year. The planned results under this SO are on the one hand subject to limited available allocation however such even relative small amount of co-financing from the ESI can result with significant impact. Namely this SO aims to contribute to the goal set by the 3rd NEEAP which is to achieve, as a result, savings of final energy consumption in the public lighting system of 1 PJ by 2020 which is approximately 50% of the savings estimated for 2020 for public lighting sector. This will correspond to the 6% decrease per each year in the electricity consumption for the service of public lighting.</p>

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		4c1 - Reduction of energy consumption of the public sector buildings						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4c11	Average annual heating/cooling energy demand in retrofitted public buildings	kWh/m2	Less developed	250.00	2014	50.00	SMIV (Sustav za monitring i verifikaciju ušteda); NEEAP reports, EMIS (national information system for energy management)	Annually
Specific objective		4c2 - Reduction of energy consumption of the residential buildings (multi apartment buildings and family houses)						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4c21	Average annual heating/cooling energy demand in retrofitted residential buildings	kWh/m2	Less developed	250.00	2014	50.00	SMIV (Sustav za monitring i verifikaciju ušteda); NEEAP reports	Annually
Specific objective		4c3 - Improvement of the efficiency of the district heating system						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4c31	Losses of heat produced in the DH networks	Percentage	Less developed	12.00	2013	8.00	Ministry of Economy	Annually
Specific objective		4c4 - Improvement of the efficiency of the public lighting system						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting

<b>Specific objective</b>		<b>4c1 - Reduction of energy consumption of the public sector buildings</b>						
4c41	Energy saving in the public lighting	PJ	Less developed	0.08	2012	0.90	Ministry of Economy	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### *2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries*

<b>Investment priority</b>	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
<p>Main target groups and beneficiaries</p> <p>4c1 Public bodies / institutions / bodies (owner of public buildings);</p> <p>4c2 Physical persons (owner of residential buildings / houses) as final recipients</p> <p>4c3 and 4c4 Regional and local authorities, public service companies</p> <p>Example of actions to be financed to achieve the specific objectives</p> <p>4c1 and 4c2</p> <ul style="list-style-type: none"><li>• Implementation of the energy renovation program for buildings (public and residential) by promoting deep renovation, including energy audits, energy certification, project documentation, promotion of energy performance contracting and physical measures such as replacing old windows with new ones (with U-values lower than prescribed), thermal insulation to a level that meets the minimum requirements, reconstruction/installation of the heating/cooling system, the roll out of the heat cost allocators, installation of thermostat vaults, installation of heat pumps etc</li><li>• Installation of smart metering devices, provision of accurate feedback about end-use energy consumption, introduction of home energy management systems, including various wireless communications options (for smart metering) which will contribute to the Specific objective by allowing users to management and use energy sources more carefully and efficiently and less costly.</li></ul>	

<b>Investment priority</b>	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
	<ul style="list-style-type: none"> <li>Measures promoting construction of the buildings with nearly zero energy consumption which will allow for gradual radical change in the way energy is used in the building sector;</li> <li>Promotion of renewable energy use in all building/construction sectors (public buildings and housing sector) such as the installation of solar heating systems, heating plants on biomass etc., high efficient co-generation on RES, thus replacing the conventional fuels and providing stable and secure independent energy sources which is of particular importance for more remote areas.</li> <li>Management, educational and communication activities: assistance in establishment of capacities for energy measures in the municipalities / counties, preparation of energy plans on regional / local level, introduction of IT programme for continuous monitoring and analysis of the energy consumption, workshops for general public, education of energy advisers, promotional activities (info desk, brochures, commercials)</li> </ul>
4c3	<ul style="list-style-type: none"> <li>Investments in district heating network – renovation and modernisation, including measures to reduce losses of heat, water and steam</li> <li>Renovation of boilers and investments in cleaner and more efficient / technologically advanced technologies including possible switch from the current to the use of RES (primarily on biomass) and integration of biogas into the public heating system.</li> <li>Public awareness and information campaign on use of DH system</li> </ul>
4c4	<ul style="list-style-type: none"> <li>Measures to improve efficiency of the public lighting system i.e. replacement of the current (old) lights with more efficient ones including wider introduction of the LED technology</li> </ul>

### *2.A.6.2 Guiding principles for selection of operations*

<b>Investment priority</b>	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
<b>Common principles</b>	

<b>Investment priority</b>	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p><b>SO Specific principles</b></p> <p>Specific objectives 4c1 and 4c2</p> <p>Energy audits present mandatory prerequisite for the investments in the buildings; i.e. no investments will be performed on the buildings prior to the energy audit is done. Nevertheless, it is important to note that energy audits are eligible for co-financing under these SOs without prejudice to the provisions of the Energy Efficiency Directive 2012/27/EU.</p> <p>The main priority criteria for the investments selection will relate to the level of planned savings with deep renovations leading to significant (typically around 30% to 60%) efficiency improvements being the priority. In addition priority will be given to reducing energy consumption in buildings with the energy class D or lower, constructed before 1987.</p> <p>Besides strictly energy related benefits, during selection contribution to the development of the local economies by technology development and creation</p>	

<b>Investment priority</b>	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
<p>of new jobs within the renovation activities and usage of the RES locally present (biomass, solar) will be taken into account as well.</p> <p>The attention would be given to apply (where possible according to the recommendation from the energy audits) the integrated approach i.e. to include and join the energy efficiency and RES related measures on the buildings that will be subject of renovation. when it comes to the RES production that can be applied for “feed in tariff” it is important to note that beneficiary will not be allowed to apply for “feed in tariff” (for the produced RES) and ESIF support in parallel, i.e. if apply for the ESIF under this OP it will not be granted “feed in tariff” and vice-versa. The respect of this rule will be monitored by the Ministry of economy that is a part of the management structure for this OP and also participates in the process of granting “feed in tariff”.</p> <p>Specific objective 4c3</p> <p>As for the district heating system the investments will focus on the existing system i.e. the selection will be limited to the current urban areas with DH system with the priority for the areas with higher penetration of the DH. Having in mind the fact that DH system for the moment is developed to a larger scale only in several bigger cities, it is intended to primarily implement this SO under an ITI. In parallel during selection of operations special care will be taken to ensure complementarity of DH investments with the investments under specific objective 4c1 &amp; 4c2 because the main user of the DH system is the building sector (households and public infrastructure) in order to achieve integral concept (meaning for the DH system and accompany buildings connected to such DH). With a view to ensure efficient use of the available ERDF allocation the Managing authority will obtain assurance about the financial viability and sustainability of the proposed investments.</p> <p>Specific objectives 4c4</p> <p>As for the public lighting system all the investment will have to be part of the Action plans for energy efficient public lighting due to be developed by the local / regional authorities. In terms of priority investments will be prioritised in accordance with the amount of savings envisaged.</p> <p>Specific objectives 4c1, 4c2, 4c3 and 4c4</p> <p>The majority of the investments planned under this IP have in principle significant revenue stream therefore special care will be ensured in order to avoid (public) over-financing and allow for adequate leverage of private resources.</p>	

### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
<p>It is intended to use financial instruments for Specific objectives 4c1 and 4c2 due to the nature of the planned investments. It is expected for the EIB to carry out ex-ante assessment and provide assistance in establishment of the financing instrument in several sectors including energy efficiency and renewable energy sources. However since financing instrument is complex mechanism but also in the absence of valuable experience with using a financial instrument in the past, it is expected that its set-up will require relatively significant amount of time. Therefore in order to secure implementation of programme and in order to be able to achieve goals / targets set both for EE and RES it is intended to use more classical type of funding i.e. grant scheme in the meantime. Such financing system is being developed in cooperation and under guidance of Jaspers and it is building upon the existing and running programme (to extend possible) for energy renovation of buildings as well as work / advice of the World bank study on delivery and financing to scale up energy efficiency in the building sector. This funding system will only serve as a phasing tool in order to bridge period until the financing instrument is up and ready. That means that grant scheme type of funding will be of limited (financial) coverage compared to the overall allocation and it will be structured in a way to avoid over subsidization of the individual investments.</p>	

### 2.A.6.4 *Planned use of major projects* (where appropriate)

<b>Investment priority</b>	4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
Not envisaged	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO31	Energy efficiency: Number of households with improved energy consumption classification	Households	ERDF	Less developed			10,451.00	MIS	Annually
CO32	Energy efficiency: Decrease of annual primary energy consumption of public buildings	kWh/year	ERDF	Less developed			55,100,000.00	MIS	Annually
4c22	Decrease of primary energy consumption of housing sector buildings	GWh/year	ERDF	Less developed			167.00	MIS	Annually
4c32	Total Energy efficiency savings in the DH system	PJ	ERDF	Less developed			1.00	Ministry of economy	Annually
4c42	Decrease of electricity	% per year	ERDF	Less developed			6.00	Ministry of economy and	Annually

Investment priority		4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	consumption for public lighting							Energy efficiency fund	

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	4d
<b>Title of the investment priority</b>	Developing and implementing smart distribution systems that operate at low and medium voltage levels

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	4d1
<b>Title of the specific objective</b>	Pilot Introducing smart grids
<b>Results that the Member States seek to achieve with Union support</b>	<p>As regards introduction of new technologies (mainly IT based) into distribution system performance it is practically at the start. This relates to the roll out of the smart metering system (to be tackled mainly under Specific objectives 4c1 and 4c2) and smart grids.</p> <p>The result which will be achieved under this Specific objective will be related to “computerizing” the electric utility distribution network under 3-5 projects in order to:</p> <ul style="list-style-type: none"> <li>• obtain measurement data needed for the calculation of actual losses in the medium-voltage network,</li> <li>• Comparing the total energy supplied from the one low voltage substation (MV/LV) and all network user consumption/production connected on that substation, will be possible to detect areas with a large amount of losses in low voltage network.</li> </ul> <p>Installing smart measuring devices and equipment in low-voltage transformer 20/10/0, 4 kV is planned to provide the</p>

following: load monitoring of low-voltage substations, calculation of losses in medium-voltage distribution network, locating and reducing losses in the low voltage network and reducing emissions of CO<sub>2</sub>, input data for the study of mass installation of advanced meters, impact analysis and easier integration of distributed renewable, better distribution network maintenance and development planning, improvement both in terms of additional capacities and (particularly) reliability of current system.

Therefore this SO should result in introduction of the smart grids concept as initial (pilot) action in Croatian distribution network.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		4d1 - Pilot Introducing smart grids						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4d11	Losses in the distribution network in which "smart grid" concept is implemented (out of the total consumption in the distribution level)	Percentage	Less developed	8.70	2012	7.60	Ministry of economy; Distribution system operator	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels
<i>Main target groups and beneficiaries</i>	
(Public) Companies in charge of distribution network (Distribution system operator), local authorities	
<i>Example of actions to be financed to achieve the specific objectives</i>	
<ul style="list-style-type: none"><li>• Promotion and introduction of smart grids technologies in the selected areas as well as other IT technology related energy management measures (such as automation and remote control management) which empower to match consumption with generation</li><li>• Project preparation activities</li></ul>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels
<b>Common principles</b>	
Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:	
<ul style="list-style-type: none"><li>• clear and quantifiable contribution to the relevant output and result indicator targets</li><li>• maturity of the project design</li><li>• cost-effectiveness</li></ul>	

<b>Investment priority</b>	4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels
<ul style="list-style-type: none"> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p><b>SO Specific principles</b></p> <p>The pilot areas to be covered by this specific objective will be selected by the Ministry of Economy and system operators having in mind the technical criteria (such as underground cable networks or on air, insulated or non-insulated cables), status of the network (i.e. level of deterioration of network system) and economic criteria (cost – effectiveness). Having in mind nature of the investments and availability of resources it is estimated that only 3-5 locations (pilot areas) will be subject to financing.</p> <p>Those pilot projects / areas will be selected in order to represent two types of areas</p> <ul style="list-style-type: none"> <li>• Larger cities (i.e. Zagreb and Split) where the concentration of consumers is highest and consequently the losses and possible savings too.</li> <li>• Medium size cities (i.e. Varaždin and Dubrovnik) since they represents the most common type of settlement in Croatia.</li> </ul>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels
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<b>Investment priority</b>	4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels
Not envisaged	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels
Not envisaged	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>4d - Developing and implementing smart distribution systems that operate at low and medium voltage levels</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
CO33	Energy efficiency: Number of additional energy users connected to smart grids	Users	ERDF	Less developed			5,800.00	MIS	Annually

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	4 - Promoting Energy Efficiency and Renewable Energy Sources

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis		4 - Promoting Energy Efficiency and Renewable Energy Sources											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO31	O	Energy efficiency: Number of households with improved energy consumption classification	Households	ERDF	Less developed			4.000			10.451.00	MIS	The output indicator relates to the operations representing 19% of financial allocation of the Priority axis 4 (ERDF)
CO32	O	Energy efficiency: Decrease of annual primary energy consumption of public buildings	kWh/year	ERDF	Less developed			55.100.000			55.100.000.00	MIS	The output indicator relates to the operations representing 40% of financial allocation of the Priority axis 4 (ERDF).  The indicator has the same final target and baseline due to its definition measuring the total decrease of annual consumption, not the total saved consumption.
1	F	Total amount of eligible expenditure certified	Euro	ERDF	Less developed			123.475.833			531,810,805.00	Ministry of finance	

### Additional qualitative information on the establishment of the performance framework

Two output indicators (being the common ones) are selected since they cover main priority activity (investment in energy renovation of buildings and households) and majority of resources under Priority axis 4. More specifically the specific objective of the PA dedicated to the buildings covers approximately 60% total PA allocation.

Since it is expected that milestones for 2018 will be relatively modest (having in mind that the EE measures (even in the public buildings sector) are extremely complex ones and it takes time for the whole system to be established and fully operational. In addition it is for the first time for Croatia to implement this kind of measure using the Structural funds resources) a “*Key implementation step*” indicator was added.

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

### Tables 7-11: Categories of intervention

Table 7: Dimension 1 - Intervention field

Priority axis	4 - Promoting Energy Efficiency and Renewable Energy Sources		
Fund	Category of region	Code	€ amount
ERDF	Less developed	010. Renewable energy: solar	35,000,000.00
ERDF	Less developed	011. Renewable energy: biomass	60,000,000.00
ERDF	Less developed	013. Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	181,810,805.00

Priority axis		4 - Promoting Energy Efficiency and Renewable Energy Sources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	014. Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures	90,000,000.00
ERDF	Less developed	015. Intelligent Energy Distribution Systems at medium and low voltage levels (including smart grids and ICT systems)	20,000,000.00
ERDF	Less developed	016. High efficiency co-generation and district heating	80,000,000.00
ERDF	Less developed	068. Energy efficiency and demonstration projects in SMEs and supporting measures	20,000,000.00
ERDF	Less developed	069. Support to environmentally-friendly production processes and resource efficiency in SMEs	20,000,000.00
ERDF	Less developed	070. Promotion of energy efficiency in large enterprises	25,000,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		4 - Promoting Energy Efficiency and Renewable Energy Sources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Non-repayable grant	270,000,000.00
ERDF	Less developed	04. Support through financial instruments: loan or equivalent	131,810,805.00
ERDF	Less developed	05. Support through financial instruments: guarantee or equivalent	130,000,000.00

**Table 9: Dimension 3 - Territory type**

Priority axis		4 - Promoting Energy Efficiency and Renewable Energy Sources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Large Urban areas (densely populated >50 000 population)	100,000,000.00

Priority axis		4 - Promoting Energy Efficiency and Renewable Energy Sources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	02. Small Urban areas (intermediate density >5 000 population)	150,000,000.00
ERDF	Less developed	07. Not applicable	281,810,805.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		4 - Promoting Energy Efficiency and Renewable Energy Sources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Integrated Territorial Investment – Urban	80,000,000.00
ERDF	Less developed	07. Not applicable	451,810,805.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		4 - Promoting Energy Efficiency and Renewable Energy Sources	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	4 - Promoting Energy Efficiency and Renewable Energy Sources
Main technical assistance type of measures envisaged under PA 4 are the following:	
<ul style="list-style-type: none"> <li>• promotional activities to stimulate various stakeholders (citizens, private sector etc) to implement energy efficiency and RES measure as well as to manage energy better</li> </ul>	

- Assistance to relevant authorities and beneficiaries in preparation and implementation of energy efficiency and RES measure since they are very complex and require specific knowledge

Project preparation activity is a horizontal activity within Priority axis (applicable to all Specific objectives)

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	5
<b>Title of the priority axis</b>	Climate Change and Risk Management

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)**

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	5a
<b>Title of the investment priority</b>	Supporting investment for adaptation to climate change, including ecosystem-based approaches

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	5a1
<b>Title of the specific objective</b>	Improvement of climate change monitoring, forecasting and planning of adaptation measures
<b>Results that the Member States seek to achieve with Union support</b>	In line with the framework set by the 6th National Report on Climate Change the main result to be achieved is the modernization of the meteorological network that will ensure that 100% of the territory of Croatia will be covered by regular monitoring and evaluation of CC impacts, as well as by modelling tools for assessment of CC impacts and effects of potential adaptation measures.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		5a1 - Improvement of climate change monitoring, forecasting and planning of adaptation measures						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
5a11	Territory covered by regular monitoring and evaluation of climate change impacts	Percentage	Less developed	20.00	2013	100.00	Meteorological and Hydrological Service	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches
<i>Main target groups and beneficiaries</i>	
Public institutions dealing with climate change and impacts (relevant ministries, Meteorological service), Croatian Waters, local authorities, NGOs, research and academic institutions.	
<i>Examples of actions to be financed to achieve the specific objectives</i>	
<ul style="list-style-type: none"><li>• Measures to improve quality and availability of data for the purpose of climate monitoring, data collection, modelling, analysis and forecasting climate related information, including warning system, which is a key prerequisite for adequate planning and implementation of adaptation measures. This includes applied research concerning the impacts of climate change and adaptation needs.</li><li>• Strengthening the administrative and technical capacities of public institutions dealing with climate change (primarily trainings targeted at administrative officials in order to increase the expertise level)</li><li>• Building awareness on national and local level of the impact of climate change thus allowing more efficient introduction of adaptation measures. This will include communication strategy, workshops and public events, preparation and distribution of educational materials, counselling of population, on-line information portals etc.</li><li>• Integration of climate change into the planning process by preparation of climate change adaptation action plans at local levels, integration of adaptation measures into all strategic and development documents, development of plans to prevent climate change impacts in sectors vulnerable to climate change and development of methods and standards for implementation of adaptation measures.</li></ul>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches
<b>Common principles</b>	
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"><li>• clear and quantifiable contribution to the relevant output and result indicator targets</li><li>• maturity of the project design</li><li>• cost-effectiveness</li><li>• sustainability (esp. financial)</li><li>• implementation capacity</li><li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li><li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li></ul>	
<p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p>	
<b>SO Specific principles</b>	
<p>As indicated this SO will be implemented through phased approach. The selection of potential investments will follow the establishment of the monitoring and forecasting system and the planning and policy framework through the National adaptation strategy.</p>	
<p>As for the first phase the operation will be selected primarily in accordance with the contribution of the operation to the specific objective. More specifically for the applied research the main criterion will be the contribution of proposed research for defining best possible adaptation measures in the most vulnerable sectors while in terms of monitoring the accent will be on the cost effectiveness (best value for money) in terms of application of technologies for the meteorological network and effectively integrating it into the current system</p>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches
Not envisaged	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches
Not envisaged	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
5a12	Completely automatic surface weather stations (land and marine), and ground-based	Number	ERDF	Less developed			450.00	Meteorological and Hydrological Service, MIS	Annually

Investment priority		5a - Supporting investment for adaptation to climate change, including ecosystem-based approaches							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	upper-air stations								

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	5b
<b>Title of the investment priority</b>	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	5b1
<b>Title of the specific objective</b>	Enhancement of the national disaster management systems
<b>Results that the Member States seek to achieve with Union support</b>	<p>In line with the analysis the main result under this specific objective will be to minimise damages caused by the adverse weather conditions and other hazards by a) further developing disaster management system and b) addressing certain priority risks. The development of the disaster management system will be achieved through strengthening administrative and technical capacities, and raising awareness, educating, equipping and preparing population and rescue teams and strive towards sustainable development. In terms of training ERDF will ensure 200 adequately trained team members in all 4 zones as identified in the analysis. Adequately trained teams will mean that after the training is completed, the teams will possess a set of tested skills and equipment in accordance with predefined needs (as Decision on establishment of the National intervention unit for civil protection issued by the NPRD) and existing hazards (as per Hazard assessment).</p> <p>Considering the needs for investments in the flood protection measures that were identified in Water Management Strategy that was adopted in 2008 it is estimated that as a result of the implementation of the measures under this SO, the total area of potentially significant flood risks (APSFRRs) defined in the Preliminary Flood Risk Assessment (PFRA) - which is 53% of the total area of the Republic of Croatia i.e. approximately 30.000 km<sup>2</sup> - can be reduced by 10%. The main result expected to be</p>

	achieved with measures in the flood risk management protection is therefore a decrease of the total area subject to potentially significant flood risks from 30.000 km <sup>2</sup> to 27.000 km <sup>2</sup> . Significant risk relates to the effects caused by natural disasters on the human health, the environment, the cultural heritage and the economic activity.
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**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		5b1 - Enhancement of the national disaster management systems						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
5b11	Disaster response capability	Percentage	Less developed	10.00	2014	50.00	National Protection and Rescue Directorate	Annually
5b12	Area subject to potentially significant flood risks	km2	Less developed	30,000.00	2014	27,000.00	Croatian Waters	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<i>Main target groups and beneficiaries</i>	
State bodies and organisations responsible for the risk/ disaster management and data collection (National Protection and Rescue Directorate, Meteorological service, other responsible ministries and agencies etc.), Croatian waters as the agency responsible for water management and flood risk management, and regional (Counties) and local authorities.	
<i>Examples of actions to be financed to achieve the specific objectives</i>	
<b>Prevention:</b>	
<ul style="list-style-type: none"><li>• Risk awareness raising programs, promotion and education thus creating resilient communities</li><li>• Preparation of specific project in the sectors that deal with the most common disastrous events also recognised in current national strategic documents (Hazard assessment)</li></ul>	
<b>Preparedness:</b>	
<ul style="list-style-type: none"><li>• Measures for organisational and capacity development of all disaster protection and management organisations including development and establishment of an early warning system thus creating preconditions for adequate disasters prevention, response and management measures (i.e. prior to risk assessment completion, raising awareness of the importance to know the risks will be a priority)</li></ul>	
<b>Response:</b>	
<ul style="list-style-type: none"><li>• Purchase and construction of any disaster reduction/response equipment and infrastructure including, but not limited to the communication system</li></ul>	

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<p>used for providing rescue services and also mitigation to affected areas.</p> <p><b>Flood risk management measures (organised as per category of measure defined in the State plan for flood protection):</b></p> <p><b>Planning measures</b></p> <ul style="list-style-type: none"> <li>• Improvement of the flood forecasting and early warning and alert systems, including improvement of the system for hydrologic data collection and analysis;</li> <li>• Improvement of the system for mathematical modelling simulation of flood hazards, including development of necessary data and preparation of more precise flood hazard maps, including simulations of breaches to flood protection systems</li> <li>• Improvement of the system for flood risk management planning, including collection of detailed data on risk receptors and preparation of more precise flood risk maps and development of plans and programmes of implementation of flood risk management measures based on economically-prioritised measures,</li> </ul> <p><b>Preventive and preparatory measures</b></p> <ul style="list-style-type: none"> <li>• Improvement of the system for monitoring of flood protection infrastructure, including investigations of safety and stability and implementation of a technical monitoring system,</li> <li>• Improvement of the system for real time monitoring and analysis of flood events by satellite imagery and mathematical modeling for the needs of the operative flood defense,</li> <li>• Improvement of the Main and Regional Flood Defense Centers (FDC), including improvements to the information management and communications systems, improvement of technical capacities and equipment for the operative flood defense, improvement to the housing of the FDC, and capacity building of human resources,</li> <li>• Improvement to the system of integrated water management and flood risk management.</li> <li>• Interventions in mined areas which have been affected or could be affected in the future by floods (i.e. inspection and demining of such areas)</li> </ul> <p><b>Natural water retention measures</b></p>	

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<ul style="list-style-type: none"> <li>Implementation of measures that enhance natural flood risk management by supporting Green Infrastructure (e.g. river and floodplain renaturation/restoration). Such measures will be prioritized where their application is technically and economically feasible.</li> </ul> <p><b>Measures for protective flood risk management (infrastructural measures)</b></p> <ul style="list-style-type: none"> <li>Construction and reconstruction of the water courses and water protection facilities including dikes, dams, floodgates, pumping stations, and other flood protection infrastructure. Such structural measures will be implemented where flood risk cannot be sufficiently reduced by non-structural measures and/or by natural water retention measures.</li> </ul> <p>Finally, education and awareness activities as well project preparation activities are to be considered as horizontal ones applicable to both development of the Disaster risk management system and tackling specific risks.</p>	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<p><b>Common principles</b></p> <p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>maturity of the project design</li> <li>cost-effectiveness</li> <li>sustainability (esp. financial)</li> <li>implementation capacity</li> <li>alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the</li> </ul>	

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
<p>implementation of the macro-regional strategies.</p> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p><b>SO Specific principles</b></p> <p>The selection of operations will be based on the risk assessment that will set the priorities on the national level in order to reduce the biggest and most threatening risks. The financing of operation will then be directed to the systematically reduction of those (i.e. biggest) risks. However in the meantime (before the finalisation of the risk assessment) the preparatory activities, inter alia specifically project preparation, will be carried out in accordance with the information provided in the existing national Hazard assessment. This possibility will concern soft measures such as raising awareness and capacity building, equipping, as well as preparation of “no-regret” projects in the priority areas (risks) as identified in the existing national Hazard assessment.</p> <p>The selection of the flood risk management measures will be based on the Flood Risk Management Plan i.e. based on a river basin approach and flood hazard and flood risk mapping. The potential of natural water retention measures for flood protection and climate adaptation measures will be exploited. Furthermore, measures supporting Green Infrastructure will be prioritized (over structural flood protection measures) where its application is technically and economically possible and effective in order to enhance natural flood risk management. Other structural measures such as retention reservoirs, embankments strengthening, drainage channels will be considered in line with appropriate environmental objectives, namely preserving coherence and connectivity of Natura 2000 sites.</p> <p>All specific activities, measures and protection infrastructure aiming to reduce major identified risks will be in line with targets and objectives of the Risk Assessment once it is adopted.</p>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
Not envisaged	

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
Not envisaged	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
CO20	Risk prevention and management: Population benefiting from flood protection measures	Persons	ERDF	Less developed			10,000.00	MIS	Annually
5b13	Training / education activities (for the staff of organisations responsible for	Number	ERDF	Less developed			10.00	National Protection and Rescue Directorate	Annually

Investment priority		5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	the risk / disaster management)								

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	5 - Climate Change and Risk Management

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis		5 - Climate Change and Risk Management											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO20	O	Risk prevention and management. Population benefiting from flood protection measures	Persons	ERDF	Less developed			1000			10,000.00	Croatian waters, MIS	The output indicator relates to the operations representing 61% of financial allocation of the Priority axis 5 (ERDF).
PF51	F	Total amount of eligible expenditure certified	Euro	ERDF	Less developed			57.151.981			245,396,147.00	Ministry of finance	

## Additional qualitative information on the establishment of the performance framework

This Key implementation step is added in order to represent one of the important preparatory activities envisaged under SO 5b2 i.e. preparation of projects related to flood management.

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

#### Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		5 - Climate Change and Risk Management	
Fund	Category of region	Code	€ amount
ERDF	Less developed	087. Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	215,396,147.00
ERDF	Less developed	088. Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures	30,000,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		5 - Climate Change and Risk Management	
Fund	Category of region	Code	€ amount

Priority axis		5 - Climate Change and Risk Management	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Non-repayable grant	245,396,147.00

**Table 9: Dimension 3 - Territory type**

Priority axis		5 - Climate Change and Risk Management	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	245,396,147.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		5 - Climate Change and Risk Management	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	245,396,147.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		5 - Climate Change and Risk Management	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	5 - Climate Change and Risk Management
<p>This PA is specific because its implementation is envisaged to a great deal in two phases: the first one, until the National adaptation Strategy and Disaster Risk Assessment are developed will be mainly technical assistance related i.e. covering preparatory activities as listed above (under Actions to be supported under this investment priority).</p> <p>Even in terms of flood risk management (being the specific risk planned to be addressed immediately) measures stipulated under non-structural measures can be consider to be of technical assistance type.</p>	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	6
<b>Title of the priority axis</b>	Environmental Protection and Sustainability of Resources

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)**

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	
CF		Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	6c
<b>Title of the investment priority</b>	Conserving, protecting, promoting and developing natural and cultural heritage

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	6c1
<b>Title of the specific objective</b>	Increasing employment and tourist expenditure through enhancing cultural heritage
<b>Results that the Member States seek to achieve with Union support</b>	<p>The overall aim of this SO is to enable sustainable usage of cultural heritage for the purpose of tourism and socioeconomic development.</p> <p>Once the preparatory actions (as described in the section guiding principles, SO specific principles) have been completed, the ERDF allocated under this SO will ensure implementation of the efficient management for the identified cultural destinations. The following main results will be achieved under this SO:</p> <ul style="list-style-type: none"> <li>- preserved, reconstructed, promoted, revitalized and well-managed cultural heritage sites. It is expected that 10 of the cultural heritage development programmes will be financed. One of the Cultural heritage development programmes (Vučedol in Vukovar area) is in advanced preparatory stage while the remaining will be identified and prepared in cooperation of the local authorities (where the programme is located) and ministries of culture and tourism. Cultural heritage development programmes include all activities necessary to develop one tourist destination out of which cultural heritage will be financed.</li> <li>- increase of tourist arrivals and overnights; increase of the number of visits to the key cultural destinations and subsequent extension of the tourist season;</li> <li>- boosting of the growth and performance of local SMEs, with economic and employment spill-overs across local and regional economies.</li> </ul> <p>As regards the impact of the ERDF investment, the tourism sector is the one where direct benefits of the investments in cultural heritage are highest and directly visible. The impact of the investment in the tourist sector can be measured via the increase in the number of tourist visits and the increase of employment in tourism sector. It is envisaged that investments under this SO will result in the direct increase of employment of around 1 thousand workers in tourism sector by 2023. 2/3 of that figure would work directly in tourist accommodation facilities while 1/3 in the other touristic activities (catering, theme parks, golf, visitor centres, etc.).</p>

	<p>However the ERDF investment in cultural sites will also have a spill-over effect on the local economy. It is expected that additional 500 workers will find job in these other economic activities.</p>
<b>ID of the specific objective</b>	6c2
<b>Title of the specific objective</b>	Increasing attractiveness, educational capacity and sustainable management of natural heritage sites
<b>Results that the Member States seek to achieve with Union support</b>	<p>The main result expected under this SO will be to increase the attractiveness of natural heritage sites in a sustainable way. As for the visitors, in the case of main national parks (the ones with the highest number of visitors i.e. Plitvice and Krka) the SO will contribute to better management of visitors and not to their increase while for the other natural heritage sites the number of tourists will be increased in a sustainable manner. This is expected to produce spill-over effect on local and regional economies. Promotion activities will not only enhance the quantitative aspect of tourism (number of visitors), but also the qualitative one in the form of increased education of visitors on the value of natural heritage.</p> <p>Activities under this SO will allow for increase in visits to natural heritage sites for approximately 10% (around 200.000). At least 30% of the total visitors of the protected areas where education/awareness facilities would be introduced / developed under this SO will receive/undergo some form the educational activities on natural heritage. This form of education will vary depending on the type of infrastructure / content financed (exhibitions, touring guides, seminars etc.).</p> <p>The assessment and mitigation of potential negative impacts of activities under this specific objective will be done through visitor management plans and ad hoc monitoring procedures. This will ensure protection and sustainable use of natural heritage.</p>

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		6c1 - Increasing employment and tourist expenditure through enhancing cultural heritage						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6c11	Newly employed in tourism sector	Number	Less developed	80,000.00	2012	81,000.00	Croatian bureau of statistics	Annually
6c12	Tourism expenditure on the cultural, sports and recreational services	Euro	Less developed	410,000,000.00	2011	530,000,000.00	Tourism Satellite Account	Bi-annually
Specific objective		6c2 - Increasing attractiveness, educational capacity and sustainable management of natural heritage sites						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6c21	Increased number of visits to supported national and nature parks	Number	Less developed	2,360,483.00	2014	2,596,531.00	Public institutions for management of PAs	Annually
6c22	Increase in number of visitors educated on natural heritage within national and nature parks (with supported visitor infrastructure)	Percentage	Less developed	1.00	2014	30.00	Public institutions responsible for management of PAs	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
Main target groups and beneficiaries	
<i>6c1</i>	
Governmental bodies and institutions, regional and local authorities, owners of cultural heritage, local population, private sector	
<i>6c2</i>	
Governmental bodies and institutions, Public institutions for management of protected areas/Natura 2000 areas on national and regional/local level, Local authorities, private sector, legal entities managing state forests and forest land, CSO (civil society organisation)	
<i>Examples of actions to be financed to achieve the specific objectives</i>	
<i>6c1</i>	
<ul style="list-style-type: none"><li>• Renovation and reconstruction of cultural heritage sites (archaeological sites, industrial heritage, fortifications, castles, minor houses, palaces, ethnologic heritage) and construction of the related infrastructure as well as the improvement of services provided at the cultural heritage sites and the creation of new services which will contribute to the integrated tourism development and enhance 10 cultural heritage development programmes.</li><li>• Improvement of cultural heritage management by development of management plans, conservation analyses and guidelines for identified culture heritage sites.</li><li>• Developing new tourism products related to cultural heritage</li></ul>	

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<ul style="list-style-type: none"> <li>• Rising of public awareness by education about cultural heritage and its promotion in order to increase the visibility of the sites. Promotion and marketing of the cultural heritage sites as part of integrated projects for tourism purposes are also included.</li> <li>• Project preparation activities</li> </ul>	
6c2	
<ul style="list-style-type: none"> <li>• Investment in nature education facilities and infrastructure for visitors, school children and students, volunteers (e.g. visitors / information and education centres, info points and other visitor infrastructure), primarily nearby or in protected areas and Natura 2000 areas</li> <li>• Content: development of innovative content and ideas based on unique natural attractions (such as multimedia presentations of on historical, scientific and cultural genesis (or development) of the PA, digital expositions, informative and educational tours)</li> <li>• Education and public awareness initiatives focused on innovative presentation and promotion of the selected unique natural attraction and related knowledge and new innovative and state of the art forms of interpretation of natural offer;</li> <li>• Project preparation activities, including development of a visitor management plan of respective area of influence</li> </ul>	
<p>The competent authorities (State Institute for Nature Protection, Ministry of Environment and Nature Protection) should decide whether a visitor management plan needs to be established before the works are launched. Their decision should be based on the findings of the environmental/nature impact assessment, the type of project, the expected visitor pressure and conservation objectives of the site.</p>	
SO 6c1 and 6c2	
<p>In order to boost of the growth and performance of local SMEs the investments in public cultural &amp; natural heritage shall be financed complementary with TO3 providing support to the private SMEs in order to create and develop localised product; and with TO 10 providing support via compulsory programmes in life-long education and training to employees on key tourism segments, thus securing an integrated approach to the cultural &amp; natural heritage investments. Investments under SO 6c2 will be, where possible, connected with the activities under IP 6.4 in a way to communicate better the research and data on biodiversity values thus securing an integrated approach to the natural heritage investments.</p>	

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p><b>Common principles</b></p> <p>Same as under other IPs under PA6.</p> <p><b>SO Specific principles</b></p> <p><b>Specific objective 6c1</b></p> <p>The Ministry of Culture is currently preparing a call for proposals "Cultural heritage – Project and Management Plan Preparation". The call for proposals will aim to deliver the following project preparatory actions</p> <ul style="list-style-type: none"> <li>• An assessment of the tourism and overall economic &amp; employment potential for cultural heritage sites. This assessment will evaluate the attractiveness of the cultural sites through creation of new contents and functions.</li> <li>• Preparation of customized tourist offer adjusted to the specific sites /local context. This customized offer will take into account local potential for economy and jobs creation.</li> </ul> <p>During the preparatory actions the Managing authorities will encourage cooperation and networking among the public, private, civil sectors and academia with the aim to ensure that the cultural sites will be turned into high-quality tourist attractions, with a strong impact over the local development.</p> <p>It is expected that the selected project (prepared within mentioned call for proposals), will be applied for implementation under this Specific objective. This is subject to the outcome of the project preparation process and selection procedure. However this does not exclude other projects (prepared otherwise) to be potentially implemented subject to the same rules and selection procedures. Investments which have renovation or maintenance of the cultural heritage sites as its sole aim will not be financed. Only investments that can undeniably prove their positive contribution to the local economy and</p>	

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>employment as well as sustainability will be considered for financing. Even more, the highest development potential in terms of the creation of new services / jobs will be the main criteria in selection of the investments. All investments must prove that sustainable exploitation of cultural sites would be ensured during entire project life cycle and adequate maintenance will be ensured by the beneficiaries after the project is completed.</p> <p>The investments in the cultural heritage shall be of a smaller scale only and they should be linked with the territorial strategy of the respective region. The total cost of any infrastructure item for culture, cultural heritage or tourism infrastructure financed will remain below or equal to EUR 5 million or EUR 10 in the case of infrastructure considered as world cultural heritage in the sense of Article 1 of the 1972 Convention concerning the protection of the world cultural and natural heritage listed by UNESCO. The conservation, protection, promotion, and development of cultural heritage under the specific objective for "Increasing employment, and tourist expenditure through enhancing cultural heritage" might take the form of an integrated operation that includes several small scale items of infrastructure. When the total cost of all the small-scale items of infrastructure added together within a single integrated operation exceeds the thresholds mentioned above, the activities must demonstrate clearly the economic development potential for the region, and the additional impact on economic growth and the creation of jobs.</p> <p>Having in mind the potential impact of the cultural heritage investments on urban development, it is envisaged that the part of the activities under Specific objective 6c1 can be implemented under ITI.</p> <p><b>Specific objective 6c2</b></p> <p>Only investments which are clearly related to the sustainable economic or social valorisation (including raising awareness and educational activities) of nature protected sites will be financed. During the selection process the investments will be prioritised on the basis of the potential positive contribution to the local economy, employment as well as environmental sustainability. National and nature parks can be supported as they present highest potential in terms of global uniqueness and value. However the ERDF can also support any projects linked to Natura 2000 sites and habitats/species protected under the Birds and Habitats directives.</p> <p>Considering these guiding principles, and the available data at the stage of OP adoption, the focus of the indicators will be on national and nature parks. The Croatian authorities will report about projects in Natura 2000 sites and habitats/species protected under the Birds and Habitats directives in the materials provided for the Monitoring Committees.</p> <p>Investments within protected areas must be developed in accordance with the management plans for the respective protected area. That will ensure not just</p>	

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>that investments will contribute to the management plan goals but also prevent potential excessive usage of resources.</p> <p>For each project when assessed as necessary by the expert opinion of the State Institute for Nature Protection an additional obligation of monitoring of protected species and habitats in the area of investment (including area of influence) will be included in the project activities.</p>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
Not envisaged	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
Not envisaged	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		6c - Conserving, protecting, promoting and developing natural and cultural heritage							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO09	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Less developed			310,000.00	Ministry of Culture, Ministry of tourism, Ministry of environment	Annually
6c13	Number of supported cultural heritage development programmes which will enhance 10 regional destination clusters	Number	ERDF	Less developed			10.00	Ministry of Culture	Annually
6c22	Number of supported visitor infrastructure in national and nature parks contributing to better management of	Nr	ERDF	Less developed			10.00	Ministry of Environment	Annually

Investment priority		6c - Conserving, protecting, promoting and developing natural and cultural heritage							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	heritage								

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	6c
<b>Title of the investment priority</b>	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	6e1
<b>Title of the specific objective</b>	Upgrade of air quality management and monitoring system according to 2008/50/EC directive
<b>Results that the Member States seek to achieve with Union support</b>	The main result of this specific objective will be the set-up of an adequate system for air pollution monitoring and management system in line with Directive 2008/50/EC. The existing measurement programme will be upgraded to take into account air quality and climate relevant parameters to enable synergies of air quality and climate policies as well as achieve the enhancement of the monitoring programme with short lived climate pollutants (SLCF) and enable the introduction of climate sensitive air pollution measures. The air quality data system will be upgraded to enable spatial representation of all air quality data, emission data and modelling results. Targeted measures for improvement of air quality in urban areas will be financed where non-compliance with ambient air limit values occurs, including measures aiming at elimination of air quality non-compliance.
<b>ID of the specific objective</b>	6e2
<b>Title of the specific objective</b>	Rehabilitation of brownfields (ex-industrial and / or ex-military sites) within ITI

<p><b>Results that the Member States seek to achieve with Union support</b></p>	<p>Brownfield areas (in terms of ex-industrial and ex-military sites) within urban areas are mainly abandoned, not being used for community oriented services or for brownfield economic investments. Within this SO it is aim to secure regeneration of brownfields in the urban areas included under ITI; more concretely it is expected that with the investments under this Specific objective percentage of non-rehabilitated and unused brownfields in the urban areas under ITI will decrease for 5.5% i.e. approximately 50.000 km<sup>2</sup> of brownfields area owned by the cities implementing ITI will be regenerated and put in use. As stated this Specific objective will be implement under ITI thus providing for the best possible integration of the usage of brownfields (i.e. existing infrastructure and assets) with project from other thematic objectives that will provide for service and content within the renovated brownfield sites. It is important to note that under this Specific objective only regeneration of the brownfields will be financed while the implementation of services / contents in the individual regenerated site will be secured through other activities in line with the ITI strategies.</p>
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**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		6e1 - Upgrade of air quality management and monitoring system according to 2008/50/EC directive						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6e11	Share of population covered by air quality information in urban areas	%	Less developed	50.00	2014	100.00	Ministry of Environment, Meteorological and hydrological service	Annually
Specific objective		6e2 - Rehabilitation of brownfields (ex-industrial and / or ex-military sites) within ITI						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6e21	Surface of non-rehabilitated brownfields owned by the cities implementing ITIs	square meters	Less developed	917,800.00	2014	867,800.00	Report on the situation in space, Physical planning information system (ISPU), MIS	Bi-annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
<i>Main target groups and beneficiaries</i>	
6e1 Cities, local authorities, public services, associations of cities / municipalities, NGOs	
6e2 Regional and local authorities (cities), public services / institutions / bodies, associations of cities / municipalities, NGOs	
<i>Examples of actions to be financed to achieve the specific objectives</i>	
6e1	
<ul style="list-style-type: none"><li>• Measures to improve air quality in cities with over 10 000 inhabitants where non-compliance with ambient air limit values occurs including elimination of air quality non-compliance, and set up of adequate monitoring and reporting system.</li><li>• Upgrade and modernisation of air quality monitoring network in order to comply with requested minimum number of sites of fixed measurements according to AQ Directive 2008/50/EC and replacement and purchase of instruments for monitoring of physical and chemical properties of air, particulate matter and precipitation, according to the required monitoring programme. Upgrade of monitoring equipment for source apportionment analysis and assessment. Measurement programme should be upgraded to take into account air quality and climate relevant parameters to enable synergies of air quality and climate policies as well as enhancing the monitoring programme with short lived climate pollutants (SLCF) and introduction of climate sensitive air pollution measures.</li><li>• Upgrade and acquisition of new chemical laboratory instruments for determination of chemical composition of particulate matter and precipitation for fulfilment of all obligations regarding AQ legislation and health effect studies. These include EC/OC, VOCs, PAHs, trace elements, mercury in air etc. Upgrade of calibration laboratory for calibration and traceability assurance aiming to improve data quality and compatibility according to</li></ul>	

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
<p>European standards and directive.</p> <ul style="list-style-type: none"> <li>• Development of air quality management system: upgrade and development of capacities, computer resources and infrastructure for air quality modelling to be able to assess air quality in zones and agglomerations. Upgrade of air quality data management and information system comprising of development and execution of architectures, policies, practices and procedures required to manage the information lifecycle needs in an effective manner. Implementation of geospatial information system for spatial representation of all air quality data, emission data and modelling results.</li> <li>• Strengthening capacities of all national and regional authorities responsible for implementing EU legislation related to air quality</li> <li>• Project preparation activities.</li> </ul> <p>6e2</p> <ul style="list-style-type: none"> <li>• Revitalisation of individual parts of cities - industrial sites and former military facilities etc. that will allow for usage of the existing (physical) resources within urban areas without creating additional space and environmental burden</li> <li>• Urban planning related to the individual part of the cities subject to the revitalisation including development of cities physical plans and detailed physical plans for specific brownfield locations that are precondition for adequate considerations and subsequent planning and implementation of coherent and complementary measures in urban areas</li> <li>• Project preparation activities</li> </ul>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
<p><b>Common principles</b></p> <p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p>	

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
<ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p><b>SO Specific principles</b></p> <p>Specific objective 6e2</p> <p>The specific objective 6e2 will be implemented under Integrated territorial Investments.</p>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
Not envisaged	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
Not envisaged	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
CO38	Urban Development: Open space created or rehabilitated in urban areas	Square metres	ERDF	Less developed			50,000.00	MIS	Annually
6e12	New and upgraded air monitoring stations	Nr	ERDF	Less developed			28.00	MIS	Annually

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	6i
<b>Title of the investment priority</b>	Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	6i1
<b>Title of the specific objective</b>	Decreased amount of waste being landfilled
<b>Results that the Member States seek to achieve with Union support</b>	<p>The main aim of the Specific objective is to contribute to the fulfilment of the acquis based obligations (for Directive 1999/31 on landfill of waste) for which transitional periods were set for the Croatia in the Accession treaty.</p> <p>This Specific objective provides for results in an integrated waste management system inducing separate collection of useful raw materials, treatment and recovery of the remaining mixed municipal waste and finally disposal of the remaining waste in an appropriate way.</p> <p>The expected results linked with the priorities set above are the following</p> <ul style="list-style-type: none"> <li>• Decreasing share of MW landfilled (compared to the collected MW) to 35% by 2023 which is to be achieved by the establishment of an integrated waste management system (all other treatment methods of the established waste management system) consisting of additional 10 WMCs with corresponding treatment methods that will cover the entire population of Croatia.</li> <li>• Achieving 75% of the target for gradual reduction of biodegradable waste (including cardboard/paper) being landfilled (50% and 65% reduction in 2016 and 2020 respectively compared to the BMW landfilled in 1997)</li> <li>• Increasing recycling, reuse and recovery of waste: As for the total municipal waste it is estimated that at least 50% (out of total collected MW) will be sent to recovery / reuse by 2020, while that share would increase to 65% by the end of 2023. As for the special categories of waste 3,5% increase in the recycling rate per year is estimated, which will allow for the major part of the overall target of 50% set for 2020 to be fulfilled.</li> <li>• Remediation of around 30 of existing non-compliant waste management landfills and “wild dumps” (at this moment it is difficult to stipulate precisely the expected number of landfills / sites rehabilitated under this SO since it will depend</li> </ul>

on the dynamics and resources allocated to the establishment of the WMC as being the priority for funding under this SO). In addition, under this SO rehabilitation of location highly polluted by waste (“hot spots”) will be financed, with the aim of diminishing the detrimental environmental effects of such sites.

All of the mentioned priorities and goals (in terms of WMC and rehabilitation of landfills) are in line and stem from the existing WMP 2007-2015 and will remain in the updated national WMP for the 2015-2021 period and correspondingly also in the WMP on local level.

Difference in the expected results of the SO (75% contribution to the target set) and the overall goals relates mainly to the activities already financed nationally (from the Fund for Energy Efficiency and Environmental Protection).

Additionally results expected to be achieved relate to ensuring appropriate way (i.e. in accordance with the acquis) of management of special waste streams and hazardous waste (e.g. medical waste, tyres, construction waste, etc.) as well as setting up of a central monitoring waste system which will provide exact and reliable information on all waste streams.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		6i1 - Decreased amount of waste being landfilled						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6ca11	Share of municipal waste deposited onto or into land	Percentage		83.00	2012	35.00	EUROSTAT, Environmental Protection Agency	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<i>Main target groups and beneficiaries</i>	
State bodies and organisations responsible for the waste management planning and monitoring; local and regional authorities, municipal/regional waste companies, enterprises, NGOs	
<i>Examples of actions to be financed to achieve the specific objective</i>	
<ul style="list-style-type: none"><li>• Actions to introduce and improve separate collection, recovery, recycling and re-use of waste thus allowing for more efficient management of resources and decreasing environmental damages (including emissions).</li><li>• Investments in recycling and recovery facilities, centres and yards in order to provide an efficient and affordable reuse, recycling and recovery system (this includes all waste streams such as medical waste, batteries, construction and demolition waste etc.)</li><li>• Extensive public awareness activities in order to reduce waste generation, increase separate collection and re-use</li><li>• Construction of new waste management infrastructure including waste management centres on county/regional level (waste treatment facilities, waste to energy treatment facilities, transfer stations, etc.) (10 WMCs are envisaged to be financed under this OP)</li><li>• Supply of special equipment (compactors, special waste collection vehicles, bulldozer, and other equipment in function of WMC)</li><li>• Conditioning and remediation /closure/ rehabilitation of existing municipal waste landfills, unregulated dumps and “hot spots” which will contribute to diminishing the detrimental environmental effects of inadequate waste management practices</li><li>• Project preparation activities</li><li>• Improving the overall waste management system including organisational support, increasing efficiency of the communal companies, etc. by capacity building measures aimed to support alignment with Directives requirements, to support management of infrastructure after project completion, etc.</li></ul>	

<b>Investment priority</b>	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
All actions implemented under the Specific objective must be in line with and stem from respective Waste management plans including particularly the actual needs assessment and corresponding design of measure / facilities having in mind waste hierarchy (primarily gradual reduction of waste generation).	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p><b>Common principles</b></p> <p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p><b>Specific principles for SO:</b></p>	

<b>Investment priority</b>	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>All investments planned for financing must be developed in line with national and respective local WMPs and contribute to achievement of their goals, particularly considering future reduced generation of waste. The investments must ensure integration of existing structures or infrastructures, by inclusion of projects constituting a phase of a wider intervention under the previous programming period (phasing) or by inclusion of facilities already build in an integrated system.</p> <p>All investments in waste management must be subject to application of producer responsibility, polluter pay principle and other financing principles/schemes (taxes, pay as you throw) i.e. ESI funds shall be used only when mentioned sources of funding are either not applicable or not sufficient enough to cover the total costs. As for the financing of recycling facilities specifically it would be applicable only when there is market failure or where there is a substantial lack of recycling capacities on the national level.</p> <p>Additionally priority will be given to the investments depending on the urgency to provide appropriate waste management facilities due to environmental risk prevention and fulfilment of legal requirements and compliance based targets.</p>	

#### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
Not envisaged	

#### 2.A.6.4 *Planned use of major projects* (where appropriate)

<b>Investment priority</b>	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
Major projects are envisaged under this Investment Priority pertaining to the construction of waste management centres (WMCs), remediation of the	

<b>Investment priority</b>	6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
locations highly polluted by waste (“hot spot”) and remediation of the municipal waste landfills. From the current state of play of the project pipeline it is indicative that there will be 7 major projects, 5 WMCs (Piskornica, Zagreb, Lecevetica, Orlovnjak, Biljane Donje) and 2 remediations (Sovjak, Karepovac).	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
CO17	Solid waste: Additional waste recycling capacity	Tonnes/year	CF				30,000.00	MIS	Annually
CO22	Land rehabilitation: Total surface area of rehabilitated land	Hectares	CF				60.00	MIS	Annually
6ca12	Closed and remediated landfills	Nr	CF				30.00	MIS	Annually
6ca25	Established and fully operational	Nr	CF				10.00	MIS	Annually

<b>Investment priority</b>		<b>6i - Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
	new waste management centres								

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	6ii
<b>Title of the investment priority</b>	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements

#### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	6iil
<b>Title of the specific objective</b>	Improvement of the public water supply system with the purpose of assuring quality and safety of drinking water supply
<b>Results that the Member States seek to achieve with Union support</b>	<p>This SO will support achievement and maintenance of sustainable management of water resources through investments in water supply systems including regional ones, increase in network connection, reduction of losses and increase of the reliability and efficiency of the water supply system. Main results under this SO will be:</p> <ul style="list-style-type: none"> <li>• Provision of sufficient quantities of good quality of drinking water and</li> <li>• Increased connection rate of population to the public drinking water supply system.</li> </ul> <p>It is expected that approximately 1.000.000 person will benefit from the results of measures implemented under this OP. This figure (cumulative) refers to:</p> <ul style="list-style-type: none"> <li>• inhabitants with ensured new connection to public water supply system;</li> </ul>

	<ul style="list-style-type: none"> <li>• inhabitants with enabled access to public water supply system who were previously connected to local water supply systems (those are disordered systems which are not managed by an authorized operator and do not possess necessary permits);</li> <li>• inhabitants for which the water of adequate quality in terms of microbiological and/or chemical parameters is not provided.</li> </ul> <p>Actions under this SO will also, though in smaller extent, contribute to the overall increase in water efficiency. Overall, it is estimated that water losses from water supply systems will be reduced by 20 % until 2023 and will contribute to increase of efficiency of the public water supply. However, this share should be observed as contribution from multiple factors: implementation of structural measures on national level, but also investments envisaged under this SO such as construction/reconstruction measures and envisaged soft measures (e.g. improvement of management system, introduction of telemetric system etc.).</p> <p>In order to reduce drinking water treatment, appropriate measures are envisaged by Regulation on zones of water source sanitary protection.</p>
<b>ID of the specific objective</b>	6ii2
<b>Title of the specific objective</b>	Development of wastewater collection and treatment with the aim to contribute to improvement of water status
<b>Results that the Member States seek to achieve with Union support</b>	<p>This SO will support preservation of water quality and prevent degradation of water primarily for the purpose of preserving human health and the environment and achieving and maintaining good water status in order to make it sustainable for planned uses through investments in waste water collection and treatment facilities. Main results under this SO will be:</p> <ul style="list-style-type: none"> <li>• Increased population's connection rate to the public sewerage systems and</li> <li>• Increased amount of waste water treated at appropriate level of treatment after being collected.</li> </ul> <p>The OP plans activities related to the construction and improvement of the system of wastewater collection and treatment for 68 agglomerations (planned projects). Those projects consist of all agglomerations whose deadline for completion (as per report delivered to EC according UWWTD – Art. 15 and 17) is end 2018, as well as a smaller number of agglomerations with the deadline for completion by the end of 2020.</p>

Under the assumption that the systems for wastewater collection and treatment from those agglomerations (planned projects) will gather about 80% of planned load, the total load of untreated urban wastewater will be reduced for about 1.955.000 PE (about 1.600.000 until 2018). It is estimated that the activities under this SO will have a direct positive effect on approx. 1.000.000 inhabitants and that will contribute to the increase of the amount of pollution load that receives treatment requested by UWWTD (as a ratio of total pollution load treated on WWTP with UWWTD - required level of treatment, and total pollution load of all agglomerations which are subject to UWWTD) for 35.4%

According the Water Act and the Regulation on the water quality standards (as transposed and aligned with WFD), one of the main objectives of protection the aquatic environment is to reach or maintain at least good status for all water bodies (ecological and chemical status for surface and quantitative and chemical status for ground water). The planned activities will have a direct impact on 33 water bodies in relation to BOD5. Out of those 33, 15 water bodies (total length of 634 km) have at the minimum good water status, whereas the remaining 18 water bodies (total length of 325 km) do not fulfil the objectives (based on indicator BOD5). Therefore, the positive impacts of the projects will relate to 33 water bodies (total length of 959 km), which will retain at the minimum good water status (status deterioration will not occur), or whose water status will improve (fulfilment of objectives).

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		6ii1 - Improvement of the public water supply system with the purpose of assuring quality and safety of drinking water supply						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6cb11	Decrease in number of inhabitants/population without possibility to access public water supply systems or not covered by water monitoring system or connected to the systems which do not meet microbiological and/or chemical parameters	nr		930,000.00	2014	350,000.00	Croatian Waters, Ministry of Agriculture (AIR, Project Implementation Reports)	Annually
Specific objective		6ii2 - Development of wastewater collection and treatment with the aim to contribute to improvement of water status						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6cb23	The amount of pollution load that receives treatment requested by UWWTD	Percentage		4.60	2014	40.00	Croatian Water, Ministry of Agriculture, Annual Monitoring Report	Annually
6cb24	Water bodies with good and very good status according to organic load indicators (BOD5)	Nr		1,116.00	2014	1,134.00	Croatia Waters, Ministry of Agriculture (Annual Monitoring report)	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<i>Main target groups and beneficiaries</i>	
6ii1	State bodies and organisations responsible for the water management, local authorities, public water service providers, Hrvatske vode
6ii2	State bodies and organisations responsible for the water management and monitoring, local authorities, public water service providers, Hrvatske vode
<i>Actions to be financed to achieve the specific objectives</i>	
6ii1	<ul style="list-style-type: none"><li>• measures to ensure provision of drinking water of good quality and to increase connection rate of population to the public drinking water supply by construction/reconstruction/upgrading of drinking water supply networks as well as water treatment (conditioning) plants (including supply of metering and other related equipment for public water supply systems) and desalination plants for assuring drinking water to the population of the remote islands and remote inland settlements as a possibility if no other measures are able to be rationally justified and applied.</li><li>• Investments in construction of pipelines, detection and elimination of leakages in order to increase efficiency of water systems</li></ul>
6ii2.	<ul style="list-style-type: none"><li>• measures to increase the population's connection rate to the public sewerage systems via construction/reconstruction/upgrading public sewerage</li></ul>

<b>Investment priority</b>	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>system (including supply of equipment for cleaning of network and detection and elimination of leakage, septic tank cleaning vehicles and other related equipment necessary for proper operation of sewerage systems);</p> <ul style="list-style-type: none"> <li>• Construction/reconstruction/upgrading of waste water treatment plants, small facilities for water treatment and septic tanks (as small individual facilities as part of the public system) and sludge treatment facilities (including supply of equipment necessary for proper operation of facilities);</li> <li>• construction/reconstruction of automatic monitoring stations for water quality and hydrological data, development of water data analysis and modelling tools, and supply of necessary equipment and facilities</li> <li>• implementation of appropriate protective measures (such as: construction/reconstruction of sewerage system, WWTPs, small individual systems, monitoring etc) at zones of water source sanitary protection</li> </ul> <p>Several horizontal activities are identified in order to support and to contribute to achievement of SO 6ii1 and 6ii2 by increasing the efficiency of public water services providers in order to achieve and maintain sustainability in financial and technical-technological aspect as well as organizational ones in terms of human resources. Thus, the main objective is to establish unique operator on service area which will provide services of water supply, sewerage collection and treatment of waste water. In that manner, this particular measure is of horizontal nature (integrating objectives under SO 6ii2 and SO6ii2). Establishment of integrated and coordinated water regime on the territory of Croatia, following its strategic goals and international commitments, can bring a greater efficacy in water implementation.</p> <p>Integrated water management system will encourage the single investments/ operations which will be of an integral nature i.e. a single project will encompass all the activities/measures necessary for compliance with the both Directives (UWWTD and DWD) within respective agglomerations.</p> <p>Those activities are as follows</p> <ul style="list-style-type: none"> <li>• improving the overall water management system including organisational support, increasing efficiency of the communal companies by capacity building measures aimed to support reorganization of water communal sector, to support alignment with Directives requirements, to support management of infrastructure after project completion, and other related activities.</li> <li>• project preparation activities.</li> </ul>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<b>Common principles</b>	
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"><li>• clear and quantifiable contribution to the relevant output and result indicator targets</li><li>• maturity of the project design</li><li>• cost-effectiveness</li><li>• sustainability (esp. financial)</li><li>• implementation capacity</li><li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li><li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li></ul>	
<p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p>	
<b>SO Specific principles</b>	
<b>SO 6ii1 and 6ii2:</b>	
<p>Main criterion for the project selection will relate to the contribution and compliance of the operation to the sectoral strategic and programming documents. This means that priority projects will be selected in accordance with transitional periods set by Accession treaty to achieve compliance with UWWTD and DWD as well as Water Framework Directive that includes the key element of the River Basin Management Plans (RBMPs) with the aim to achieve and/or maintain a good status of water bodies.</p>	
<p>In addition the project will be priorities as per level of maturity, integration of existing structures or infrastructures, by inclusion of projects constituting a phase of a wider intervention under the previous programming period (phasing), and capacity of beneficiary to manage the infrastructure after the project</p>	

<b>Investment priority</b>	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>completion.</p> <p>Each criterion is scored and score valorised during selection of projects. Selection criteria are applied on projects under SO6ii1 and SO6ii2 since most of the projects are of integral nature (they cover both water supply and sewerage with wastewater treatment).</p> <p>Specifically for SO 6ii1 Construction of drinking water treatment plants will be funded only where implementation of other measures is not feasible or where it was proved that additional treatment was needed on top of the measures applied in accordance with Art. 7.3 of WFD.</p>	

#### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
Not envisaged	

#### 2.A.6.4 *Planned use of major projects* (where appropriate)

<b>Investment priority</b>	6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>Through this IP several major projects are planned to be implemented in period 2014-2020. According to current state of play those projects are referred to development/construction/reconstruction of regional water supply systems (Eastern Slavonija, Zagreb East) as well as projects in large agglomerations (Velika Gorica, Nin-Privlaka-Vrsi-Vir, Zabok – Zlatar, Rijeka, Split – Solin, Kaštela – Trogir, Zagreb).</p>	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		6ii - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO18	Water supply: Additional population served by improved water supply	Persons	CF				1,000,000.00	Croatia Waters, Ministry of Agriculture (Annual Monitoring report)	Annually
CO19	Wastewater treatment: Additional population served by improved wastewater treatment	Population equivalent	CF				1,000,000.00	Croatia Waters, Ministry of Agriculture (Annual Monitoring report)	Annually

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	6iii
<b>Title of the investment priority</b>	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	6iii1
<b>Title of the specific objective</b>	Improved knowledge on the state of biodiversity as a basis for effective monitoring and management of biodiversity
<b>Results that the Member States seek to achieve with Union support</b>	<p>Mapping of marine habitats and species will be achieved within this specific objective in order to increase the biodiversity data on the distribution of species and habitats listed in the annexes of the Habitats Directive for marine waters under national jurisdiction. A detailed marine habitat map will be developed as a prerequisite for setting up and implementing adequate monitoring and conservation measures.</p> <p>Within this specific objective it is planned to establish a monitoring system for 400 habitats and species in order to ensure monitoring and reporting on the conservation status of species and habitats. Croatia needs to establish a system for monitoring the conservation status of 580 species and habitat types (74 habitat types listed in the annex I and 238 species listed in the annex II, IV and V of the Habitats Directive and 238 bird species listed on the annexes of the Birds Directive), which according to the Habitats and Birds Directives have to be monitored (and reported on) on the entire Croatian territory with additional site monitoring in Natura 2000 sites.</p> <p>Mapping and identification of IAS and their pathways and setting up of national monitoring and information system for IAS will be developed in order to diminish negative impacts on biodiversity. At least 2 protocols will be specifically developed and tested for IAS, whilst the monitoring of majority IAS will be accordingly integrated in the monitoring protocols under Habitats and Birds Directives. The investments will aim to prevent, minimise and mitigate their adverse effects including their economic and social impact, in line with the newly adopted Regulation (EU) No 1143/2014).</p> <p>Finally, in order to maintain proper functioning of the ecosystems and the flow of its services it is necessary to continuously promote and improve understanding of the ecosystems and their services. Mapping and assessment of the state of ecosystems and their services in Croatia will be done within this SO as a necessary prerequisite for defining priorities for restoration of habitats and Green Infrastructure in the following period.</p>
<b>ID of the specific objective</b>	6iii2
<b>Title of the specific objective</b>	Setting up the framework for sustainable management of biodiversity (primarily Natura 2000)
<b>Results that the Member States</b>	Applicable and comprehensive management mechanism of Natura 2000 sites will be developed and implemented, primarily

<p><b>seek to achieve with Union support</b></p>	<p>referring to sectors that have an impact on species and habitats and at the same time have better capacities for implementation of management activities and monitoring on the ground. As a new MS, Croatia has yet to meet preconditions set out in Habitats Directive in the time frame prescribed by the Directive - definition of conservation measures needed and designation of special area of conservation (SACs). Croatia has designated Special Protected Areas (SPAs) and sent the pSCI (proposed Sites of Community Importance) list to the EC in September 2013. After conclusion of biogeographical seminars and consequent adoption of SCIs, Croatia will define and set-up the necessary conservation measures for SCIs as soon as possible and not later than six years, as defined in Art 4(4)). Therefore at this stage the value of the result indicator for the programme specific indicator Natura 2000 management framework in place as a basis for conservation actions, according to the obligations in the acquis is set at "0" - it envisaged that through CF at least 40% of the surface under Natura 2000 network will have an established management mechanism that will adequately address conservation of species / habitat types. The conservation of habitats and species will be implemented either through integration of specific conservation measures into management plans of existing protected areas or through adjustments of sectoral management plans or other solutions determined within the scope of these investments.</p> <p>The other priority pillar within this specific objective is related to management of strictly protected species which needs to be improved in this period through several actions. Firstly, comprehensive management planning will be developed to cover all relevant species The relevant species are species protected under EU nature directives and national strictly protected species in categories CR (critically endangered), EN (endangered) and VU (vulnerable) for which the national expert body for nature protection will determine a need to adopt an action plan, based on the anthropogenic pressures and status of the species population.</p> <p>New plans for endangered species will be prepared and both new and existing plans will be implemented. Secondly, proper housing and care of strictly protected species found in nature or confiscated live specimens from illegal transboundary movement or trade will be supported.</p> <p>To complement all this, management system of the IAS will be developed in order to minimise negative impact of IAS to native species and their habitats.</p>
<p><b>ID of the specific objective</b></p>	<p>6iii3</p>
<p><b>Title of the specific objective</b></p>	<p>Demining, restoration and protection of forests and forest land in protected and Natura 2000 areas</p>

<p><b>Results that the Member States seek to achieve with Union support</b></p>	<p>State Forests in Croatia are managed under the strict principle of sustainable forest management based on the FMPs and according to the FSC certificate. The fulfilment of the guiding principle (sustainable forest management), of the New EU Forest Strategy and the implementation of FMP is not possible in the areas of long term mine contamination. These forests are, thus, losing their capacity to deliver ecosystem services and their multiple benefits. The main results expected to be achieved under this SO are to create conditions for the forests to be managed in accordance with FMP, through clearance of mines and <i>Unexploded ordnance</i> (UXO), and through their restoration and protection, improving their desirable productivity, stability, biodiversity and promoting forest ecosystem services. This will create conditions for the structural and economically sustainable development of the forests.</p> <p>This Specific Objective will concentrate on forests and forest land within protected and Natura 2000 areas that are currently, or were recently, mine contaminated or mine suspected. It is expected that around 7000 ha of forest and forest land in protected and Natura 2000 areas will be cleared of mines and released for public use (reduction of some 25% of mine contaminated forests). Works of restoration and protection are needed in those forests and forest land that were recently cleared of mines and UXO in order to regenerate and enhance their stability and ecosystem services. It is envisaged that a total of 358 hectares of surface area within protected and Natura 2000 sites will be supported to attain a better conservation status, through restoration by substituting forest stands of foreign tree species with forest stands of indigenous tree species and through enhancement of the ecosystem services of forests and forest land.</p>
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**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		6iii1 - Improved knowledge on the state of biodiversity as a basis for effective monitoring and management of biodiversity						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6cc11	Species and habitats with monitoring programs established	Number		78.00	2014	400.00	State Institute for Nature Protection (SINP) Annual Work Reports	Annually
Specific objective		6iii2 - Setting up the framework for sustainable management of biodiversity (primarily Natura 2000)						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6cc21	Capacity of rescue centres for housing and care of wild animals	Number		300.00	2014	450.00	Ministry of Environmental and Nature Protection	Annually
6cc22	Natura 2000 management framework in place as a basis for conservation actions according to the obligations in the acquis	Percentage		0.00	2014	40.00	State Institute for Nature Protection, Annual Works Report	Annually
Specific objective		6iii3 - Demining, restoration and protection of forests and forest land in protected and Natura 2000 areas						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6cc31	Area of mined forests and forest land in Natura 2000	Hectars		25,600.00	2014	18,600.00	Hrvatske šume / CROMAC	Annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<i>Main target groups and beneficiaries</i>	
Governmental bodies and institutions (State Institute for Nature Protection), Public institutions for management of protected areas/Natura 2000 areas on national and regional/local level, Local authorities, private sector, legal entities managing state forests and forest land (Hrvatske šume), Croatian Waters (Hrvatske vode), state/public mine action bodies, legal entities providing care for animals, CSO (civil society organisation).	
<i>Examples of actions to be financed to achieve the specific objectives</i>	
<b>SO 6iii1</b>	
<b>Identification and mapping of marine habitats and species</b> in line with Habitats Directive (HD) and Marine Strategy Framework Directive (MSFD)	
<b>Development of monitoring and reporting system for Habitats and Birds Directives</b>	
Develop monitoring programmes for habitat types and species from Annexes II, IV and V of the Habitats Directive and Annexes of Bird Directive and habitat types from Annex I of the Habitats Directive, including definition of monitoring methods and standards	
Build monitoring and reporting capacities and resources, including acquiring of monitoring equipment	
Test monitoring programmes (field work)	

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p data-bbox="136 256 2134 296"><b>Develop a basis for ecosystem services conservation</b></p> <p data-bbox="136 328 2134 400">Tacking stock of the available national, EU and global scale datasets and information that are relevant for baseline mapping and assessment of the status and trends of major ecosystems categories and of defined ecosystem services in Croatia.</p> <p data-bbox="136 432 2134 472">Define priorities for future restoration programmes.</p> <p data-bbox="136 504 2134 544">Assessment of the economic value of key services prioritised from the list of ecosystem services.</p> <p data-bbox="136 576 2134 616"><b>Setting up of national monitoring, and information system for IAS</b></p> <p data-bbox="136 647 2134 687">Identify distribution of IAS and make identification and analysis of pathways and prioritisation.</p> <p data-bbox="136 719 2134 823">Improve information system for existing and new information on IAS in Croatia in order to allow access to information on presence of species, their spread, ecology, invasion history, distribution, best practice and all other information necessary to underpin policy and management decisions including the risk analysis and assessment protocols and tools.</p> <p data-bbox="136 855 2134 959">Design and implement national monitoring programs for IAS. The system should be established or included in our existing/future surveillance and monitoring system (e.g. Directive 92/43/EEC) whenever is possible in order to determine the presence and distribution of new as well as already established IAS and it should cover the entire territory of Croatia, including marine territorial waters.</p> <p data-bbox="136 1070 2134 1110"><b>SO 6iii2</b></p> <p data-bbox="136 1142 2134 1182"><b>Conservation and adequate management of the Natura 2000</b></p> <p data-bbox="136 1214 2134 1286">Set up management framework for Natura 2000 areas, including development of adequate management model and application (e.g. through sectoral plans or specific site plans)</p>	

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>Conduct capacity building activities and acquire necessary equipment for ensuring adequate management of protected areas including Natura 2000</p> <p>Delineate in detail data on borders of protected areas (on the Cadastre maps) through development of surveyor's technical documentation ready for registration in the official registers (cadastre and land registry)</p> <p>Conduct communication, education and public awareness activities for biodiversity promotion, especially Natura 2000</p> <p>In the upcoming period Croatia will, through the implementation of the TA project (funded under the 2007-2013 Croatian Operational Programme Environment), set out the optimal model for Natura 2000 management framework which will provide background information for setting out adequate output indicator and its target value reflecting above mentioned activities. Finalisation is expected beginning 2016.</p> <p><b>Supporting species conservation</b></p> <p>Develop and start implementing action plans for endangered species, including conducting education and training of all relevant stakeholders and public awareness raising.</p> <p>Improve existing or establish new rescue centres including but not limited to adequate equipment, accommodation and quarantine facilities.</p> <p>Develop and implement action plans on pathways of IAS, management plans for IAS widely spread in Croatia and eradication plans for priority IAS species in order to control and minimise their impacts on native species and habitats, as well as development of guidelines, training programmes and promotion activities dedicated to different stakeholders.</p> <p><b>SO 6iii3</b></p> <ul style="list-style-type: none"> <li>• Mine and UXO clearance, including mine awareness actions, ensuring safe public access to the sites that are mine contaminated or mine suspected, thus creating conditions for their sustainable management; awareness rising actions on biodiversity and the importance of the sustainable management of forests and forest land within Natura 2000 that are, or were until recently, mine suspected or mine contaminated and could not be managed.</li> <li>• Regeneration of forests and forest land primarily in protected and Natura 2000 areas especially by: substituting introduced foreign tree species with</li> </ul>	

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>indigenous tree species; removal of IAS and potentially IAS; reforestation of neglected and degraded forest clearings and shrubs; restoration of degraded and damaged forest stands of indigenous species in accordance with the habitat types and their natural dynamics; restoration and conservation of endangered and protected rare meadows, in order to maintain and enhance their ecosystem services</p> <ul style="list-style-type: none"> <li>• Establishment and improvement of small scale forest firefighting infrastructure (fire roads, firebreaks, fire lookout towers, etc.), neglected for more than 20 years as a result of war and mine contamination, in order to protect forests and forest land and their biodiversity and ecosystem services from forest fires.</li> <li>• Establishment of baseline conditions, management goals, monitoring systems and small scale pilot activities for the preservation of water resources, especially for wetland and floodplain forest areas;</li> </ul>	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p><b>Common principles</b></p> <p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and</p>	

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
national legal acts, including state aid rules.	
<b>SO Specific principles</b>	
Specific objective 6iii3	
The actions to be supported within this Specific Objective will be implemented in forests and forest land within protected and Natura 2000 areas that are currently or were until recently mine contaminated or mine suspected.	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
Not envisaged	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
Not envisaged	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		6iii - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO23	Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	Hectares	CF				358.00	Hrvatske šume/CROMA C	Annually
6cc11	Number of monitoring systems established	Number	CF				2.00	SINP, Annual Work Reports	Annually
6cc12	Plans for IAS management system	Number	CF				5.00	State Institute for Nature Protection, Annual Works Reports	Annually
6cc22	Percentage of area of marine habitats mapped	%	CF				50.00	State Institute for Nature Protection Annual Work Reports	Annually

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	6 - Environmental Protection and Sustainability of Resources

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis		6 - Environmental Protection and Sustainability of Resources											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO09	O	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	ERDF	Less developed			31.000			310,000.00	MIS	The indicators for the cultural / nature heritage (IP 6.3) cover 75% of the ERDF resources under PA6.  Since modest progress is expected in terms of output indicators by 2018 due to the time that is needed for the projects to be implemented and attract visitors the key implementation step was added related to the project approved
PF2	F	Total amount of eligible expenditure certified	Euro	ERDF	Less developed			77.744.690			338,020,392.00	Ministry of finance	
CO19	O	Wastewater treatment: Additional population served by improved wastewater treatment	Population equivalent	CF				0			1,000,000.00	Croatian Waters, Ministry of Agriculture	The output indicator relates to the operations representing 58% of financial allocation of the Priority axis 6 (Cohesion fund).
PF61	F	Total amount of eligible expenditure certified	Euro	CF				382.943.811			1,649,340,216.00	Ministry of finance	
6.1	I	Number of contracted work contracts for water sector	Nr	CF				30			100.00	MIS	The key implementation step

Priority axis		6 - Environmental Protection and Sustainability of Resources												
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator.	
		projects												relates to the operations representing 52% of financial allocation of the Priority axis 6 (Cohesion fund)  Since majority of the waste water treatment projects (agglomerations) in Croatia are below 50 m€ threshold and in order to cover majority of resources under PA, the Key implementation step for the WW treatment relates to all projects and not just to the major ones.
6.2	I	Works contracts signed with Contractors for the selected WMC projects	Number	CF				6			10.00	EEEEPF	The key implementation step relates to the operations representing 21% of the Priority axis (Cohesion fund).	
6ca25	O	Established and fully operational new waste management centres	Nr	CF				0			10.00	MIS	The output indicator relate to the operations representing 21% of the Priority axis (Cohesion fund).	

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

## Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		6 - Environmental Protection and Sustainability of Resources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	083. Air quality measures	20,000,000.00
ERDF	Less developed	089. Rehabilitation of industrial sites and contaminated land	80,000,000.00
ERDF	Less developed	091. Development and promotion of the tourism potential of natural areas	109,669,123.00
ERDF	Less developed	094. Protection, development and promotion of public cultural and heritage assets	88,351,269.00
ERDF	Less developed	095. Development and promotion of public cultural and heritage services	40,000,000.00
CF		017. Household waste management (including minimisation, sorting, recycling measures)	50,000,000.00
CF		018. Household waste management (including mechanical biological treatment, thermal treatment, incineration and landfill measures)	425,000,000.00
CF		020. Provision of water for human consumption (extraction, treatment, storage and distribution infrastructure)	169,340,216.00
CF		021. Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	40,000,000.00
CF		022. Waste water treatment	840,000,000.00
CF		085. Protection and enhancement of biodiversity, nature protection and green infrastructure	54,000,000.00
CF		086. Protection, restoration and sustainable use of Natura 2000 sites	71,000,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis	6 - Environmental Protection and Sustainability of Resources
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Fund	Category of region	Code	€ amount
ERDF		01. Non-repayable grant	338,020,392.00
CF		01. Non-repayable grant	1,649,340,216.00

**Table 9: Dimension 3 - Territory type**

Priority axis		6 - Environmental Protection and Sustainability of Resources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Large Urban areas (densely populated >50 000 population)	80,000,000.00
ERDF	Less developed	07. Not applicable	258,020,392.00
CF		01. Large Urban areas (densely populated >50 000 population)	400,000,000.00
CF		02. Small Urban areas (intermediate density >5 000 population)	400,000,000.00
CF		07. Not applicable	849,340,216.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		6 - Environmental Protection and Sustainability of Resources	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Integrated Territorial Investment – Urban	113,351,269.00
ERDF	Less developed	07. Not applicable	224,669,123.00
CF		07. Not applicable	1,649,340,216.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis	6 - Environmental Protection and Sustainability of Resources		
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	6 - Environmental Protection and Sustainability of Resources
<p>Main technical assistance type of measures envisaged under PA 6 are the following:</p> <ul style="list-style-type: none"> <li>• Strengthening the administrative and technical capacities of institutions responsible for implementation and enforcement of environmental related policies (from governmental level to the local authorities and utilities under their responsibility). This also includes measure for assistance in organisational improvement and more efficient delivery of environmental services, primarily communal ones</li> <li>• Raising public awareness and education related to importance of environmental sectors (for example promotion of waste separate collection)</li> </ul> <p>Project preparation activity is a horizontal activity within Priority axis (applicable to all Specific objectives).</p>	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	7
<b>Title of the priority axis</b>	Connectivity and Mobility

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

### 2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

This Priority Axis will use both CF and ERDF funding pursuant to the General Regulation defining the possibility of usage of different Funds for Investment Priorities under Thematic objective 7. IP 7b (enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes) is exclusively ERDF funded and other IPs can use both Funds. Following the grand distribution of allocations per TO, in line with the thematic concentration rules, the majority of the allocation for priority axis 7 falls to the CF, while the ERDF is consequently focused on IP 7b.

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
CF		Total	

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	7a
<b>Title of the investment priority</b>	Supporting a multimodal Single European Transport Area by investing in the TEN-T

#### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	7a1
<b>Title of the specific objective</b>	To improve the TEN-T road network and access to the TEN-T road network
<b>Results that the Member States seek to achieve with Union support</b>	<p>This specific objective is focused on the improvement of TEN-T road network and accessibility to the road TEN-T network, ensuring integration with the existing secondary and tertiary network.</p> <p>Investment in regional integration to the comprehensive and core TEN-T network will ensure that urban and rural areas benefit from the opportunities created by the major networks, enabling improved accessibility and mobility of people and goods through Croatia and to the rest of the EU. Improved accessibility will contribute to territorial cohesion and the reduction of regional disparities, enabling the regions and private sector operators in Croatia to better compete in the wider European framework, as well as towards increasing the use of multi-modal solutions.</p> <p>Special issue is related to the connectivity of the functional region Southern Dalmatia which includes mainly the territory of Dubrovačko Neretvanska county. It is a coastal region which has the peculiarity of being surrounded almost entirely by Bosnia and Herzegovina. This economically important part of the territory (one of the most prominent tourist destinations in the Mediterranean) suffers from road bottleneck presented by Neum strip in Bosnia and Herzegovina from mainland territory which would increase with full implementation of Schengen borders and bring excessive delays in crossborder traffic if no action is taken. Result of this predicament is a clear need to assure a stable, every day and affordable connection for local</p>

community and business.

Also, other parts of county, dominantly in coastal areas because of tourism pressure, are exposed to significant economic, social and environmental costs related to road bottlenecks and low quality of roads.

According to above said the following results will be targeted:

1. Bypassing and eliminating bottlenecks on the functional regions level (incl. TEN-T and its secondary/tertiary nodes, special attention to addressing road bottleneck on connection to south Dalmatia )
2. International connections to road TEN-T network improved.
3. Implement environment protection features to the TEN-T road network where it is the most lacking.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		7a1 - To improve the TEN-T road network and access to the TEN-T road network						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
7a11	Travel time by road on major bottleneck areas addressed	minutes	Less developed	101.00	2014	35.00	Croatian roads Ltd	anually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>Planned actions are related to identified results. Activities will aim to increase territorial cohesion and connectivity to EU road network and eliminate bottlenecks and congestion in functional regions. They will complete remaining missing links in the network and introduce environmental features where needed. Some of potential and currently recognised specific activities are given below.</p> <p>Roadconnecting south Dalmatia to the mainland.This activity will fullfill the aim of assuring stable, every day and Schengen independent connection of this area and contribute to territorial cohesion and the reduction of regional disparities and in the same time improve TEN-T core network. This way the local community (primarily the underdeveloped ones not benefiting so much Dubrovnik city development like the northern half of the Neretva-Dubrovnik County) will also benefit from improved accessibility and it is expected that this project will spur the economic and social development. The project parameters are being defined within the feasibility process upon which the decision on the exact type of investment, alignment and technology to be used will depend.</p> <p>Coastal towns and agglomerations are specially pressured during the summer season with the road congestions and projects like Omiš bypass will eliminate key bottlenecks in Split agglomeration. It will improve safety and environment situation within this heavily urbanised area by redirecting traffic flows. Those projects are going to be integrated or coordinated with urban transport development activities and where possible with sea connections to island like the case of Omiš bypass project that will connect to the new ferry port in order to relieve the heavily burdened Split ferry port.</p> <p>On the north, in Rijeka, major bottleneck is related to the road accessibility of its growing core TEN-T cargo port. The envisaged new road will directly connect the port with the city bypass which is part of TEN-T. This connection will enhance multimodality and redirect heavy transport out of the city streets</p> <p>Similar project is Ploče Getaway, which is aimed to link the city and the port of Ploče to the motorway A1 (Zagreb - Split – Dubrovnik) which is a part of Adriatic-Ionian corridor and relieve the city from freight traffic. The existing entrance to the port of Ploče does not meet the required level of service and</p>	

<b>Investment priority</b>	7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>traffic safety.</p> <p>Even though the majority of the motorway network is relatively new and modern there are some parts with deficiencies in environmental protection standards, especially on old sections of the network. One such example is MW Zagreb – Karlovac connecting two large agglomerations with large rate of traffic between them. Also, it is the main road route towards the south (seaside) of the country. This road lacks any draining infrastructure. It is also tentatively envisaged to build a third lane dedicated for special traffic, primarily intercity public transport and other public services (medical, rescue) in order to make such services independent of the rest of the traffic esp. during peak hours.</p> <p>Construction of new border crossings with B&amp;H and their linking to the TEN-T road network will enhance connectivity of adjacent areas in Croatia also and will in fact result in the completing of the TEN-T road network and its junctions. Such projects potentially are Svilaj bridge, Gradiška bridge and Motorway Section Beli Manastir-Osijek. on ex Vc Pan EU corridor connecting to Hungary.</p> <p>In both groups of activities the construction of infrastructure which will reduce influence on environment, have provisions for climate change resilience and preparation of project documentation will be included.</p> <p><b>Potential beneficiaries and final recipients</b></p> <p>Within this Investment priority, the main beneficiaries will be designated road authorities, mostly "Croatian roads" as well as local authorities. It is expected that also consortiums of beneficiaries can apply for financing.</p>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> </ul>	

<b>Investment priority</b>	7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<ul style="list-style-type: none"> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>SO Specific guiding principles:</p> <ul style="list-style-type: none"> <li>• project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies</li> <li>• projects located directly on section of roads which are connected to TEN-Ts</li> <li>• project must demonstrate improved accessibility to TEN-T network</li> <li>• must demonstrate minimum possible negative impact on environment</li> <li>• must include climate change resilience features, where relevant</li> <li>• wherever feasible provide for integration with non-transport projects on the same routes (like broadband infrastructure, water distribution and sewage systems and other)</li> <li>• best value for money.</li> </ul>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T
n/a	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>first to be implemented:</p> <ol style="list-style-type: none"> <li>1. Road connection to south Dalmatia</li> <li>2. Rijeka D403</li> <li>3. Omiš region Bypass: Stobreč - Dugi Rat - Omiš</li> </ol> <p>secondary list:</p> <ol style="list-style-type: none"> <li>1. Gradiška bridge</li> <li>2. Third lane on the section Zagreb-Karlovac</li> </ol>	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO13	Roads: Total length of newly built roads	km	ERDF	Less developed			72.00	Project implementation reports	anually

Investment priority		7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
7a12	Lenght of new bypass roads	km	ERDF	Less developed			25.00	Project implementation reports	annually

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	7b
<b>Title of the investment priority</b>	Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	7b1
<b>Title of the specific objective</b>	To improve road safety in sections with high volume of mixed traffic
<b>Results that the Member States seek to achieve with Union support</b>	<p>The attention will be given to projects which are concentrated on the increasing level of safety on roads.</p> <p>Although the number of accidents is decreasing due to implementation of National Road Safety Program 2011-2020, the number of fatalities is still significantly exceeding EU average. The number of dead per million inhabitants in Croatia is: 2001 – 146, 2010 – 99 and 2013 – 86, EU average in 2010 – 62, in 2013 – 52 and is around 3 times worse than the leading EU countries (Sweden with 28 dead per million of inhabitants).</p> <p>The support will be concentrated on the further implementation of priorities of National Road Safety Program 2011-2020. This programme is aligned with the EU’s 4th Road Safety Action Programme 2010-2020. Major goal of the programme is to achieve 50% reduction of fatalities by 2020 compared to 2010.</p>

This programme has defined the following type of activities:

- change of behavior of subjects in traffic

The purpose is to encourage road users to improve their behavior through stricter compliance with existing laws

- improvement of road infrastructure

Recognition and elimination of hazardous places (tunnels, road crossings over railroad tracks, crossings); increase traffic safety on city roads (construction of sidewalks, bike lanes, pedestrian crossings)

- improved safety of vehicles

Alignment of active and passive vehicle safety measures and support for technical progress (Intelligent Transport Systems ITS)

- improved emergency medical services and post-accident treatment

Reorganization of emergency medical services; care for the victims in the health institutions; citizenship education in first aid

- Other activities

Raising the level of road traffic safety through cooperation with civic organizations; Amendments to laws and regulations; establishment of new bodies that will care only road safety; scientific and research work; educational and promotional campaigns through the media.

This Specific objective will concentrate on “hard” measures – the infrastructure improvement since the black spot analysis by Hrvatske Ceste Ltd in 2013 has identified a significant amount of needs of that type. Reconstruction and bypassing those black spots will help calming the traffic, make roads more “forgiving” for drivers’ mistakes, improve the situational awareness and de-conflict different subjects in traffic.

As the most of accidents happen in settlements the short bypasses can divert heavy traffic from the most vulnerable subjects in traffic: pedestrians and bicycles. Pedestrian and bicycle lanes hugely improve the safety of the roads and should be implemented even on the regional connections where the need for them is evident.

Children and young people (10-25 years), motorcyclists, pedestrians, cyclists and the elderly and persons with disabilities are the most vulnerable groups of participants in urban and suburban traffic, their safety deserves special attention. Urban and suburban roads are characterized with mixed traffic of pedestrians, bicycles, motorcycles, cars, buses and other commercial vehicles. For this reason it is necessary to focus interventions on those roads.

In addition to this, other identified hazardous places include road crossings of railways, tunnels and crossing the state, county and local roads in the entire Croatia.

#### **Detailed results**

According to assumptions it is the following result is aimed at:

- elimination of major blackspots in order to improve safety of road sections with high volumes of mixed traffic

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		7b1 - To improve road safety in sections with high volume of mixed traffic						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
7b12	Increased level of road safety - general	Number of fatalities/millions of inhabitants	Less developed	86.00	2013	45.00	Croatian Bureau of Statistics	annually
7b13	Increased level of road safety - pedestrians	Number of fatalities-pedestrians/millions of inhabitants	Less developed	64.00	2013	32.00	Ministry of interior	annually
7b14	Increased level of road safety-cyclists	Number of fatalities-cyclists/millions of inhabitants	Less developed	12.00	2013	6.00	Ministry of interior	annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
<p>Actions supported are to be primarily concentrated on the elimination of major safety black spots – road sections and crossroads with highest rate of accidents out of total 68 spots identified. Those actions may include the following indicative type of physical improvements:</p> <ul style="list-style-type: none"><li>• crossroads reconstruction,</li><li>• reconstruction of critical points of road sections (for example tight curves, too narrow sections, improvement or introduction of fences),</li><li>• bypassing black spots where other interventions are not feasible</li><li>• inclusion and enhancement of pedestrian and bicycle lanes/passes</li><li>• improving signaling, road markings and conspicuity,</li><li>• Introducing physical measures for slowing down the traffic,</li><li>• preparation of project documentation</li></ul> <p>Exact black spots, interventions on them, timing and implementation provisions will be defined in a document – ‘plan for implementation ‘ by Croatian Roads that is yet to be developed by end 2016 the latest as a precondition to this type of interventions with EU cofunding.</p> <p><b>Potential beneficiaries and final recipients</b></p> <p>Within this Investment priority, the main beneficiaries will be designated road authorities, mostly “Croatian roads” as well as "HŽ Infrastructure" and local authorities. It is expected that also consortiums of beneficiaries can apply for financing.</p> <p>The public intervention will be focused on the final-users of roads.</p>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>SO Specific guiding principles:</p> <ul style="list-style-type: none"> <li>• be on selected section of roads with previously identified significant safety problems (road safety audits)</li> <li>• have to comply with National Road Safety Program 2011-2020 and black spots in Croatia (made by HC Ltd., June 2013.)</li> <li>• will have to be proportional to their main purpose (safety)</li> <li>• will not have additional negative environmental impact comparing to the state without the project</li> <li>• be in line with EU's Infrastructure Safety Directive (Directive 2008/96/EC on road infrastructure safety management)</li> </ul>	

### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
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<b>Investment priority</b>	7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
n/a	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
Not envisaged	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>7b - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
7b15	Number of black spots eliminated	unit	ERDF	Less developed			20.00	Project implementation reports	annually

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	7i
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<b>ID of the investment priority</b>	7i
<b>Title of the investment priority</b>	Supporting a multimodal Single European Transport Area by investing in the TEN-T

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	7i1
<b>Title of the specific objective</b>	To increase the volume of freight traffic on inland waterways
<b>Results that the Member States seek to achieve with Union support</b>	<p>This specific objective is focused on removal of bottlenecks in the core TEN-T inland waterways network (which includes Rhine-Danube core network corridor), in order to increase the mobility and sustainability of international freight transit through Croatia. It will enhance the role of ports on the core (i.e. Vukovar and Slavonski Brod) and comprehensive TEN-T network (i.e. Osijek), through their modernization, and through improvement of the inland TENs corridors and nodes, improve accessibility and mobility of freight through Croatia.</p> <p>Key challenges in the development of the TEN-T inland waterways network in Croatia are the lack of integration and varying market demand across the system, and the low levels of navigability. The network needs to be modernized in a coherent and integrated way in order to improve navigability of the corridors; efficiency and safety of inland ports, and the development of inter-modal nodes that link to other modes of transport i.e. port connectivity. The three most developed inland waterways in Croatia are the Danube, Sava, and Drava, with the former classified as a VI c class water route of international importance. Since the Danube river is freely navigable and the Transport Strategy does not envisage further development of Drava navigability beyond Osijek. The focus is on Sava river which is navigable to a limited level on the 380km of 562 km. Improvement of Sava navigability will, thus, be a precondition to other investments on this waterway. Also, arguably the major concern when developing waterways is the environment protection. Activities need to be proportional to the attainable, realistic goals and environmentally sustainable without major negative impacts.</p> <p>By improving accessibility throughout the inland waterways TEN-T network/corridor this specific objective will ensure more resource-efficient transit of freight through Croatia, increased sustainability, reduced greenhouse gases and contribute to the creation of a Single European Transport Area.</p> <p>The increase in cargo transport on inland waterways will cause an increase in the amount of CO2 emissions as well as emissions of other pollutants such as NOx, SO2 and dust, according to increased transport and type of cargo, without taking</p>

into account the increasing energy efficiency and reducing emissions of pollutants. On the other hand, it is reasonable to assume that IW will take over some of cargo currently transported by road and in this way could have positive overall environment effect, although , not drastic one given the expected gradual development of IW sector. Impact on air quality will be minimal, so it is expected in the environment on almost the entire length of the waterways will remain air quality category I.

### **Detailed results**

According to assumptions it is expected that the following results will be achieved:

- enhanced international connectivity of the Croatian TEN-T inland waterway network;
- increased capability of key TEN-T inland waterways ports to handle national and international trade,

Improvement is envisaged to be gradual, therefore a moderate target is estimated. . With the finalisation of Traffic model and the Transport Strategy by the Ministry of Maritime affairs, Transport and Infrastructure by the end of 2016 a more precise target will be provided.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		7i1 - To increase the volume of freight traffic on inland waterways						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
7ca11	Cargo traffic through inland waterways	mil. tonnes/km		47.00	2013	50.00	Croatian Bureau of Statistics	annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>Developing port infrastructure</p> <ul style="list-style-type: none"><li>• construction or modernization of infrastructure dedicated to functioning of inland waterway' ports including direct access to them and links with other transport modes (modernization and construction of new facilities to increase the capacity of the existing ports, , modernization of road and rail infrastructure connections, construction of the port basin and developing of the business zone, construction of the bulk cargo terminal, construction and reconstruction of the existing banks, modernization of the basic port infrastructure and safety systems).</li></ul> <p>Improving river navigability</p> <ul style="list-style-type: none"><li>• enhancement of navigability of inland waterways with a focus on river Sava (to achieve navigability requirements for Sava river, increase dimensions of the waterways and eliminate the bottlenecks , to ensure the navigability of Duna and Drava (downstream till Osijek only) as international river in line with the required navigability level according to the European Agreement on Main Inland Waterways of International Importance (AGN)).</li><li>• preparation of project documentation</li></ul> <p>Construction or modernization of infrastructure will encompass activities and measures for reducing the influence of inland waterways transport to the environment (Reduction of the environmental impact of the transport system is in the core of the European transport policy). In this specific sector it is</p>	

<b>Investment priority</b>	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>necessary to consider that according to the “European Water Framework Directive”, the waterways are becoming a part of the integral plan for water management, so that their biological diversity and ecological value can be preserved. In particular, any project that modifies the hydromorphological characteristics of a water body causing deterioration of the status, an appropriate analysis as required by Art. 4.7 of the Water Framework Directive should be carried out as early as possible in the planning process. This would entail the analysis of alternatives (better environmental options), the set-up of the necessary mitigation measures, justification of the importance of the project for overriding public interest and inclusion in the River Basin Management Plan.</p> <p>To ensure the long term viability of the sector, climate change adaptation should be taken into account in all the stages of the development (planning and construction) and operation phases.</p> <p>State aid compatibility of all projects will be analyzed and the potential support will respect the applicable rules.</p> <p>Beneficiaries and main target groups:</p> <p>Within this specific objective, the main beneficiaries will be port authorities</p> <p>It is expected that also consortiums of beneficiaries can apply for financing.</p> <p>The public intervention will be focused on the final-users, mainly operator companies and business in general.</p>	

**2.A.6.2 Guiding principles for selection of operations**

<b>Investment priority</b>	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
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<b>Investment priority</b>	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>SO Specific guiding principles:</p> <ul style="list-style-type: none"> <li>• comply with respective comprehensive transport plan prepared and adopted by authorized bodies</li> <li>• comply with respective River Basin Management Plan</li> <li>• respect EU environmental regulations and principles regulating NATURA 2000 areas and in line with Water Framework Directive</li> <li>• located on TEN-T network or are filling gaps or eliminating bottlenecks in TEN-T inland waterway network</li> <li>• detailed long-term demand analysis justifying planned usage of newly build or modernized inland ports' infrastructure</li> <li>• Sava ports to be developed only after Sava navigability improvement starts</li> </ul>	

### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
Financial instruments are seen as a potential mode of supporting IW projects, especially port developments. It is intended to firstly examine the feasibility of FI usage. However since financing instrument is complex mechanism it is expected that its set-up will require relatively significant amount of time. Therefore in order to secure implementation of the Specific objective it is intended to use more classical type of funding i.e. grant scheme in the meantime.	

### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T
Not envisaged	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
CO16	Inland waterways: Total length of improved or created inland	km	CF				247.30	Project implementation reports	annually

Investment priority		7i - Supporting a multimodal Single European Transport Area by investing in the TEN-T							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	waterway								
7ca12	Lenght of new and upgraded port quays	meters	CF				695.00	Project implementation reports	annually

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	7ii
<b>Title of the investment priority</b>	Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	7iil
<b>Title of the specific objective</b>	To improve accessibility of the inhabited islands for residents
<b>Results that the Member States seek to achieve with Union support</b>	This specific objective aims to integrate islands of Croatia within the wider transport network and overcome a key obstacle to local economic growth. Croatia's coastline is one of the most indented costal regions in Europe. There are almost 50 inhabited islands which depend significantly on public transport for access to employment and services, and suffer capacity issue in high tourist season. Whilst the isolation of the islands and their general lack of connectivity is one of the reasons for emigration, most of the public transport services are unprofitable and maintained through state subsidies, whilst mainland ports (22 mainland ports) and island ports (73 island ports) have increasingly limited capacity to deal with the rising number of passengers. The operators are concessionaires and are in public service obligation i.e. must maintain a certain minimum number of lines and frequency of trips. Operators provide transport service on the basis of the Concession Agreement or Agreement for the provision of public services, which is concluded with Agency for Coastal Shipping, which also pays subsidies for transport by the State budget and supervise the implementation of the Agreements. It is expected that the

	<p>pressure from tourism will rise so even in the summer season it might become hard to ensure enough capacity for local passengers.</p> <p>Objective is to gradually provide sustainable and modern transport services to islands throughout the year regardless of tourism pressure and thereby improve accessibility of island communities and businesses to employment, education and other services.</p> <p><u>Measures will be tailored according to needs of the functional regions.</u></p> <p>Under this specific objective we can consider the following functional regions in Croatia:</p> <ul style="list-style-type: none"> <li>• Northern Adriatic,</li> <li>• Northern and Central Dalmatia and</li> <li>• Southern Dalmatia.</li> </ul> <p>Each of this regions has a problem with connectivity and accessibility of islands. Therefore the results within this OP should relate and be focused on main nodes of the regions’ coastal public transport systems and most crucial needs, having in mind the restricted funding allocation available and the prerequisite to firstly develop systematically the plan for development of this specific sub-sector. .</p> <p>As said above main results expected are:</p> <ul style="list-style-type: none"> <li>• Integrated plans for the development of public transport related to island connectivity and accessibility in context of functional regions’ transport needs and potentials</li> <li>• increased accessibility of islands with improved services for passengers</li> <li>• improved environmental sustainability of related traffic</li> </ul>
<b>ID of the specific objective</b>	7ii2
<b>Title of the specific objective</b>	To increase the number of transported passengers in urban public transport
<b>Results that the Member States seek to achieve with Union</b>	Implementation of this specific objective will result with the improved urban public transportation, specifically sustainable /

support

low carbon options.

Public transport is conducted only in the areas of the major cities such as Zagreb, Rijeka, Osijek, Split and their agglomerations, as well as Varaždin, Karlovac, Zadar and Pula. Croatia has recorded a decrease in the number of transported passengers in all modes of transport. In the period from January to December 2012, passenger transport has recorded a decrease of 20.1% in comparison with the same period of 2011. At the same time, an increase has been recorded in the use of private cars. In addition, public transport in the Republic of Croatia is not integrated, as there are no joint timetables or tickets for different modes of transport. The projects and transport services will be planned, coordinated and integrated within transport functional regions on the basis of the sound demand analysis and needs for detailed regulation of the services provided.

Regarding the transport planning obligations, the functional regions and/or cities will be required to develop proper Sustainable Urban Mobility Plans (Mobility plans can cover the area of one city or several cities belonging to a joint agglomeration/functional region). These mobility plans will analyse the current situation of the transport systems considering not only infrastructural but also operational and organisational aspects, and based on the outcomes of these analyses the future needs will be identified.

In order to improve the situation it is necessary to increase the modal split in favour of public transport and soft modes (pedestrians and cyclists), and in order to achieve that, it is a priority to increase the efficiency and physical, operational and organisational integration of all the modes: railway, tram and bus. It is necessary to provide as well good public transport connections to the main demand generator centres. Pre-trip/on-trip users' information, electronic booking and integrated ticketing covering all transport modes should facilitate multimodal travel.

In a perspective of Sustainable Mobility/Integrated Public Transport Plans infrastructure investments will be primarily focused on public transport and low/zero emission modes and will be accompanied by complementary mobility management policies and interventions, together with appropriate ITS installations.

#### **Detailed results**

The results aimed under this specific objective will be mainly focused on Central Croatia and Northern and Central Dalmatia and their urban agglomerations:

	<ul style="list-style-type: none"> <li>• increased capacity and use of public transport and promotion of a modal shift</li> <li>• elimination of bottlenecks that hinder the development and functioning of public transport systems</li> <li>• increase of use of zero emission modes in urban and suburban areas</li> </ul> <p>Target is set to accomplish 5% decrease of usage of passenger car share in passenger transport modal split in favour of public transport but it is estimated and serves as a policy target. With the finalisation of Traffic model and the Transport Strategy by the Ministry of Maritime affairs, Transport and Infrastructure and the Sustainable Urban Mobility Plans by the end of 2016 a more precise target will be provided.</p>
<b>ID of the specific objective</b>	7ii3
<b>Title of the specific objective</b>	Improved accessibility of Dubrovnik by air
<b>Results that the Member States seek to achieve with Union support</b>	<p>Dubrovnik-Neretva County is physically detached from the main national territory by EU borders with Bosnia and Herzegovina and suffers from a lack of accessibility to the rest of the country and of effective integration into the TEN-T network. This region, being one of the most popular world tourist destinations is important as tourism plays an important role for economy and general development of the country. Access to Dubrovnik area with population of some 200 000 via air is restrained by the quality of the facilities and the significant difference in passengers between high and low season (i.e. the difference between August 2013 and January 2013 exceeds 1500%). Average turnaround of the airport is 1.5 million passengers of which 64% is foreigners. Those facts heavily burden current passenger processing capacity. Upgrade of Dubrovnik airport is necessary in particular passenger capacity because it is expected that number of passengers will continue to grow especially during summer season. Existing infrastructure also does not meet safety requirements and already threatens operations. Further on, there is a need to assure compliance with Schengen requirements for border status in 2016.</p> <p>Due to high seasonability and high expenditures involved to attain the needed level of service and capacity the project is not suitable for commercial financing nor it attracted interest in that sense.</p> <p>With above said primary objective here is to maintain and improve accessibility of Dubrovnik area by meeting demand growth and decreasing congestion.</p>

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		7ii1 - To improve accessibility of the inhabited islands for residents						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
7cb11	Frequency of trips connecting islands outside the tourist season	Number/week		1,279.00	2014	1,400.00	Coastal Liner Services Agency	annually
Specific objective		7ii2 - To increase the number of transported passengers in urban public transport						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
7cb12	Passengers in urban transport (by buses and trams )	number/year		371,840,000.00		390,432,000.00	Croatian Bureau of Statistics	annually
Specific objective		7ii3 - Improved accessibility of Dubrovnik by air						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
7cb13	Capacity of TEN-T air node in Dubrovnik-Neretva County	mil. of passengers/year		1.50	2013	2.80	Dubrovnik AP authority	annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p><b>SO 7ii1:</b></p> <p>Support will concentrate on the area of the following transport functional regions: Northern Adriatic, Northern and Central Dalmatia, Southern Dalmatia. Functional regions are based on the analysis of the transport interactions and are not necessarily identical with administrative regions meaning that in case of islands' connectivity every region is a gravity area of major cities which serve as main passenger hubs for islands.</p> <p>Improvement of the island connectivity is a complex and integrated type of project(s) and has to be conceptually well set. In that view it is planned to develop a Plan for the development of public transport related to island connectivity that would serve as a concept for implementation of this Specific objective. The Plan will be validated by an environment study and probably through state aid notification to EC. The Plan is to use Traffic Model data and insight and be synchronized with the National Transport Development Strategy.</p> <p>The Plan will define and prioritize concrete interventions in the context of the needs and specificities of the relevant transport functional regions. All activities in order to be financed from this OP, would strictly have to be in line with the Plan. Therefore, no investments except for those which are confirmed by existing data and studies would be financed under this specific objective until the above mentioned public transport plans are prepared.</p> <p>Possible type of activities are:</p> <ul style="list-style-type: none"><li>• Modernization and construction of new port infrastructure which will improve communication with islands in selected ports.</li><li>• Relocation of existing ports. Several ferry ports are located within historical centre of a city (Rijeka, Zadar, Šibenik, Split), and it is a reason for extreme traffic congestion in tourist season. In the purpose of decreasing traffic congestion some of those ports may be feasible to relocate to more appropriate locations. This measure will also decrease the number of road vehicles in the centre of the cities, improve air quality and decrease level of noise especially during the summer season.</li></ul>	

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<ul style="list-style-type: none"> <li>• Improvement of the access roads on islands that directly connect ports for passenger transport</li> <li>• Purchasing small passenger vessels meeting the low-carbon emission standards (new eco-ships and by adapting existing ships according to the highest environmental standards and the MARPOL 73/78 Annex VI - Regulations for the prevention of air pollution from ships). Parallel with developing eco-shipping it is necessary to develop provisions for filling/fuelling, for example bunkering facilities for gas powered ships.</li> <li>• Measures to improve traffic management, safety and better services. Includes activities such as: inclusion of new lines specialized for residents only, integration in public transport schemes of the regions/cities (single ticket, timetable adjustments,...), Vessel Traffic Monitoring and Information System (VTMIS) improvement, introduction of modern systems for providing real-time and other informations for passengers in ports and onboard</li> <li>• preparation of project documentation</li> </ul> <p>Further on, the Plan will define State aid and PSO (public service obligation) requirements in a way that purchase of ships would be part of the PSO concession agreement. The Plan will also define other state aid requirements. The operators are concessionaires and are in public service obligation must maintain a certain minimum number of lines and frequency of trips. Operators provide transport service on the basis of the Concession Agreement or Agreement for the provision of public services, which is concluded with Agency for Coastal Shipping, which also pays subsidies for transport by the State budget and supervise the implementation of the Agreements.</p> <p>Despite the seasonality in maritime passenger traffic it is necessary to maintain and improve the maritime lines with the islands and make them more frequent because of the sustainment of island population. It is expected that the pressure from tourism will rise so even in the summer season it might become hard to ensure enough capacity for local passengers.</p> <p><b>Beneficiaries and target groups:</b></p> <p>Within this specific objective, the main beneficiaries will be local authorities in the transport functional regions of Northern Adriatic, Northern and Central Dalmatia, Southern Dalmatia or companies which manage and organize public transport services which operate to and from Croatian islands.</p> <p>It is expected that also consortiums of beneficiaries can apply for financing.</p>	

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>The public intervention will be focused on the final-users and passengers as well as managers of transport infrastructure authorities.</p> <p><b>SO 7ii2:</b></p> <p><b>Following types of activities are indicatively envisaged:</b></p> <ul style="list-style-type: none"> <li>• Sustainable Urban Mobility Plans preparation</li> <li>• Development of infrastructure for public transport companies which is dedicated to implementation of energy efficient solutions:</li> </ul> <p>A proper analysis of the existing situation and expected developments of the Transport System and socio-economic context in urban and regional areas, in a perspective of Sustainable Mobility/Integrated Public Transport Plans, should identify the needs of rehabilitating/upgrading existing infrastructure or of creating new ones where mobility levels will justify it. These plans will be developed first. On the other side, this might also mean to dismiss or functionally downgrade some parts of the network where expected mobility levels become non relevant. Infrastructure investments will be primarily focused on public transport and low/zero emission modes and will be accompanied by complementary mobility management policies and interventions, together with appropriate ITS installations.</p> <ul style="list-style-type: none"> <li>• development of park&amp;ride infrastructure and systems:</li> </ul> <p>One of the key aspects to achieve a good public transport system and for the success of integrated transport systems encouraging the modal shift from private to public transport and zero emission modes is to increase and facilitate the intermodality. In this sense, together with the development of proper intermodal terminals, the development of facilities such as Park &amp; Ride, Bike &amp; Ride, etc. will help providing commuters another option to access the city, avoiding congestion in the core urban areas and encouraging the use of public transport. The location of these facilities will be analysed in detail case by case taking into account their functionality, e.g. Park &amp; Ride should normally be located on the outskirts of the city next to public transport terminals.</p> <ul style="list-style-type: none"> <li>• purchase and modernization of passenger rolling stock (trams, eco-buses, light rail) with low CO2 emissions for public transport operators:</li> </ul> <p>With some exceptions, the current fleet of public transport vehicles is aged and based on outdated and inefficient technologies. In order to increase the</p>	

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>competitiveness of public transport in comparison with private car it is necessary to modernise the rolling stock ensuring its compliance with the highest quality, safety and environmental standards and the accessibility for persons with reduced mobility. The purchase of new rolling stock will be performed in coordination to the foreseen improvements on the infrastructure. The first step to develop this measure is to perform a comprehensive analysis of the current organisational, operational and maintenance setup of the relevant operators analysing the future requirements and operational and maintenance plan. Once the real needs are identified further studies will define the specific technical requirements for the rolling stock.</p> <ul style="list-style-type: none"> <li>• implementation of systems for monitoring and management of transport systems (ITS) within urban areas: <p>New technologies allow among others for real time data gathering and control of traffic conditions and public transport use. In order to take advantage of these new technologies, centres for centralized management of the public transport will be constructed, equipped with the latest advances in ITS solutions. New public transport vehicles will be equipped accordingly, ITS platforms for trip planning will be used and traffic signalling will be modernized so as to be integrated in the centralized management system (e.g. "Smart Traffic Lights" or public transport prioritization measures). This will allow for a qualitative improvement in the planning and monitoring of public transport, passenger user information, traffic control and real time data gathering regarding congestion, public vehicles arrival times.</p> </li> <li>• introduction of single ticket systems and modern passenger information systems: <p>One of the most tangible benefits for users of the integrated transport systems is the introduction of integrated tariff systems. The level of integration of the tariff system and the type of tickets and technologies to be used (single tickets and/or e-ticketing, smart cards or contactless payment methods, etc.) will be analysed case by case based on the competences of the relevant transport authority and taking into account all the possibilities, such as the possibility to use smart cards to pay P&amp;R, on-street parking, toll zones, etc.</p> </li> <li>• construction and improvement of bicycle paths, lanes: <p>In urban and suburban areas there is a need often to improve bicycle infrastructure and to develop new one altogether in order to promote this zero emissions mode of transportation. Includes infrastructure like bicycle separate paths, special lanes on mixed transport roads and special parking facilities..</p> </li> <li>• Introduction of bicycle sharing system:</li> </ul>	

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>In order to improve availability and practicality of bicycle transport bicycle sharing systems could be implemented or existing ones may be improved and extended. Closely connected to bicycle infrastructure stated above..</p> <ul style="list-style-type: none"> <li>• pilot introduction of electric car filling stations and other related small scale infrastructure:</li> </ul> <p>The building of filling stations for alternative fuels will be encouraged to reduce the conventional fuel consumption, CO2 emissions and toxic particles. Urban areas are natural starting point in electric vehicle promotions given current technology restrictions. Aim here is to develop and test in praxis preconditions for larger introduction of such transportation in the future..</p> <ul style="list-style-type: none"> <li>• introduction of other clean mobility solutions and innovative technologies if identified by Sustainable Urban Mobility Plans.</li> <li>• preparation of projects documentation</li> </ul> <p>Part of the above envisaged type of activities is to be implemented by ITI. The selected urban areas for ITI will have the possibility to address accessibility issues related to their focus ITI activities – for example improvement of connections to brownfields that are regenerated within ITI, research and innovation centers being set up, certain community services introduced and similar. This mostly would include improvement or extending public transport lines to such areas and facilities. The introduction of bicycle paths/lines within and to them would be mandatory if no technical restrictions exist, The electric car filling stations might be especially interesting for combination with research and innovation centers.</p> <p>Potential beneficiaries and final recipients:</p> <p>Within public transport domain, the main beneficiaries will be local authorities or companies established by local authorities which manage and organize public transport services. It is expected that also consortiums of public transport managers can apply for financing as well as consortiums of local authorities and various combinations with each other. The public intervention will be focused on the users of public transport in urban areas as well as managers of public transport services which are to provide satisfactory level of services and which are to be able to assure proper integration of services with several other moods of transport.</p> <p><b>SO 7ii3:</b></p>	

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>Continuation of construction and modernization of airport infrastructure and equipment at Dubrovnik airport from TOP 2007-2013 (“phasing”) including:</p> <ul style="list-style-type: none"> <li>• Reduction of the environmental impact</li> </ul> <p>Increased energy efficiency of infrastructure and operations, introduction of noise-related operating restrictions and by minimising waste and reducing noise, CO2 emissions and other pollutants but also by measures related to the protection of flora and fauna such as avoidance of disturbances of bird migration paths. To include development of noise management plan, waste management plan and establishment of a clean air program.</p> <ul style="list-style-type: none"> <li>• Reconstruction and upgrade of the main runway including the extension of taxiways, aprons and all necessary works (such as for example shielding to protect the extension of embarkment from the waves, construction of the water drainage systems, road pavement and asphalt overlays, light signal systems, control systems, precision instrument landing systems)</li> <li>• Construction of parallel taxiways, including a reconstruction of aprons and open apron areas at the end of the main runway. This also includes the simultaneous creation of technical facilities (for example navigation lights, drainage works, precision markings, infrastructure remediation, replacement of road pavement layers and asphalt overlays)</li> <li>• Construction of terminal buildings for general aviation and administration and reconstruction of the main passenger terminal buildings (to be done within TOP 2007-2013)</li> <li>• Fuel farm construction, waste management facilities, air bridges and electrical sub-stations</li> </ul> <p>Within this specific objective, the main beneficiary will be Dubrovnik Airport Authority.</p>	

**2.A.6.2 Guiding principles for selection of operations**

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>SO Specific guiding principles:</p> <p><b>SO 7ii1:</b></p> <ul style="list-style-type: none"> <li>• project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies</li> <li>• at least 50% of the project costs must be directly related to islands' connectivity</li> <li>• construction of new ports will depend on justifiable need to lessen the congestion in existing ports or to a sound need for port reallocation projects have to contribute to mitigation of climate change and atmospheric pollution</li> <li>• comply with water framework directive , in particular with the Article 4.7 of the Directive.</li> </ul> <p>(This requires the assessment of whether a given project, no matter its economic importance and size of the project, will result in deterioration of the status of water bodies or prevent the achievement of the environmental objectives of the Directive. If so, all conditions under the Article 4.7 should be complied with (overriding public interest, lack of better environmental option, mitigation measures etc).)</p>	

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<ul style="list-style-type: none"> <li>• the projects will have to demonstrate sound and detailed demand analysis which provides background for planned investment</li> <li>• projects which will result in providing services for more than one local authorities will have to provide formal agreements with all local authorities concerned on the implementation of the project and on public service obligations which will constitute legal and financial background for the long-term usage of the requested fleet</li> <li>• projects have to respect all applicable state aid requirements</li> <li>• purchase of vessels must correspond to integrated plans of functional regions for the development of island connectivity and accessibility and to the public service obligations provisions</li> </ul>	
<p><b>SO 7ii2:</b></p> <ul style="list-style-type: none"> <li>• project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies (Sustainable Urban Mobility Plans or higher ranking strategies including equivalent information)</li> <li>• linked to local strategy/plan</li> <li>• project have to focus on minimizing consumption of primary energy sources</li> <li>• project have to be implemented by beneficiaries which are able to operate on public transport infrastructure and will prove that requested co-financing will not create an excessive compensation for them and the usage of purchased and modernized rolling stock will be based on the public service obligations contracts</li> <li>• preference will be given to projects linking at least 2 modes of transport (excluding road transport)</li> <li>• contributing to mitigate climate change and atmospheric pollution</li> <li>• the projects which connect two and more urban areas will have to prove long-term cooperation by binding agreements on providing services within PSO scheme</li> <li>• rolling stock and equipment can only be funded where directly related to the improvement of a specific section of the infrastructure</li> <li>• ITI project will have to have a level of integration and coordination with other non-transport elements of the ITI (other projects or be a component of complex projects)</li> </ul>	

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p><b>SO 7ii3:</b></p> <ul style="list-style-type: none"> <li>• project has to comply with respective comprehensive transport plan prepared and adopted by authorized bodies</li> <li>• the infrastructure is necessary and proportional to the set objective</li> <li>• project has to contribute to environment protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact</li> <li>• the project will have to demonstrate sound and detailed demand analysis which provides background for planned investment</li> <li>• is compatible with EU state aid rules</li> </ul>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>Only for SO 7ii2:</p> <p>It is intended to firstly examine potential and then use financial instruments for this Specific objective due to the nature of the planned investments. Agreement is being finalised with the EIB that will cover ex-ante assessment and assistance in establishment of the financing. However since financing instrument is complex mechanism it is expected that its set-up will require relatively significant amount of time. Therefore in order to secure implementation of the Specific objective it is intended to use more classical type of funding i.e. grant scheme in the meantime. On the other hand the assessment may prove that FI is not feasible for this Specific objective or some type of its activities.</p>	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
SO 7ii1: None at the moment	
SO 7ii2: None at the moment	
SO 7ii3: Dubrovnik Airport Development.	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
7cb14	New vessels procured	Number	CF				5.00	Project implementation reports	annually
7cb15	New or reallocated ports	number	CF				1.00	Project implementation reports	annually
7cb16	Upgraded ports providing services related	number	CF				3.00	Project implementation	annually

Investment priority		7ii - Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	to islands							reports	
7cb17	Total length of new and improved tram lines	km	CF				17.00	Project implementation reports	annually
7cb18	New passenger rolling stock	number	CF				50.00	Project implementation reports	annually
7cb19	ITS implemented	number	CF				2.00	Project implementation reports	annually
7cb20	New and upgraded bicycle lines	km	CF				50.00	Project implementation reports	annually
7cb21	Electric vehicle filling stations	number	CF				4.00	Project implementation reports	annually
7cb22	Reconstruction of runway (AP Dubrovnik)	m	CF				3,300.00	Project implementation reports	annually
7cb23	Construction of sewage connection to Cavtat sewage system (AP Dubrovnik)	m	CF				3,300.00	Project implementation reports	annually

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	7iii
<b>Title of the investment priority</b>	Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	7iii1
<b>Title of the specific objective</b>	Increased use and relevance of the rail network
<b>Results that the Member States seek to achieve with Union support</b>	<p>This objective aims to improve and upgrade the railway infrastructure in Croatia, encouraging railways taking significantly bigger share of traffic compared to roads, as a more sustainable / low carbon option, through increasing the capacity of both TEN-T and regional railway infrastructure and services.</p> <p>Improved utilisation of the railway mode relative to the road mode which now dominates cargo (73.6% in 2012) and passenger (85.8% in 2012) traffic, should in future lead to reduction of greenhouse emissions in transport. This is medium to long-term process and the main goal here is to make a robust start in that direction, having in mind that the finishing this process will only be possible during the next financing period.</p> <p>Whilst the total length of railway lines in Croatia is roughly in line with average ratios for other EU member states, the network suffers from a lack of modernisation and general dilapidation due to a long period of under-funding. The following international rail corridors and routes pass through the territory of the Republic of Croatia and are to be reconstructed and modernised to improve journey times, capacity and safety that reflect functional and technical standards of the TEN-T network :</p> <ul style="list-style-type: none"> <li>• The Mediterranean Corridor of the core network (connecting port Rijeka with mid-Europe)</li> <li>• TEN-T route connecting Ljubljana, Zagreb and Belgrade (ex Paneuropean Corridor X)</li> <li>• TEN-T route connecting Budapest and Ploče (ex Paneuropean corridor Vc)</li> </ul> <p>Main effort regarding the passenger transport is to be related to stopping the negative trend of declining usage of railways by assuring better services and connectivity to other modes. Condition of the Croatian railway infrastructure is matched by the rolling stock, with the average age of passenger trains of the only operator being 30 years old and in order to gain positive</p>

results will have to be upgraded too.

Because the traffic management, signalling and interlocking system is outdated, the TEN-T part of network will be given priority in modernisation with implementation of EU priorities regarding interoperability (ERTMS). The investment in railway network will be coordinated with Connecting Europe Facility. Thereby part of the prepared railway projects could receive financing from CEF. Those projects are to be picked from the sections of Mediterranean corridor.

According to above said the following results will be targeted:

1. initiate the medium to long-term process of modal shift from road to rail (longterm goal is increase use of railway services vis a vis road -1/4th of cargo and 6 % of passenger transport, in order to get there the whole core network and in particular Mediterranean corridor has to be improved in full length which in implementation goes beyond the 2014-2020 perspective - therefore moderate intermediate goals (results) in cargo and passenger share are set in light of the crucial need to firstly maintain the market shares of railway. With the finalisation of the Traffic model and the Transport Strategy by the Ministry of Maritime affairs, Transport and Infrastructure by the end of 2016 target values will be updated.)
2. better integration of railway lines with other transport modes
3. increased safety and reliability of the system
4. enhanced international connectivity

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		7iii1 - Increased use and relevance of the rail network						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
7cc11	Modal split ratio of railways in cargo traffic	%		19.80	2012	20.00	EUROSTAT	annually
7cc12	Modal split ratio of railways in passenger traffic	%		3.50	2012	4.00	EUROSTAT	annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
<b>Related to cargo railway transport following activities are indicatively foreseen:</b>	
Modernization and rehabilitation of railway lines - on TEN-T corridor sections.	
This is mainly related to the Mediterranean and ex Pan-European corridor X and marks the continuation of the efforts in Transport OP 2007-2013 i.e. majority of projects prepared in TOP 2007-2013 is to be realized within this OP. These activities will enhance sections of the corridor tracks enabling better capacity to serve international cargo primarily.	
<ul style="list-style-type: none"><li>• Construction of new sections is limited to direct links of TEN –T network with sea ports, IW ports and logistic centers.</li><li>• Modernization will include introduction of modern European safety and ERTMS (GSM-R and ETCS) standards and will include double tracking where justified by cargo volumes.</li></ul>	
As noted elsewhere there are two major axes to be upgraded (ordered by priority):	
1. Modernization of sections of Mediterranean corridor connecting Zagreb node toward the south – Karlovac and ultimately port Rijeka and to the north to Hungarian border. This is viewed as main axis for cargo – serving Rijeka port which is on the rise and providing it access to the mid-Europe market. The line has not seen serious upgrade in decades and soon will not be able to compete for serious cargo volumes, thereby it is also limiting factor for the development of Rijeka port.	
2. The other main line is going from Slovenia via Zagreb to the east – Belgrade. This line is in similar situation but has seen moderate investments within ISPA and IPA/ERDF in 2007-2013. Still, the majority of sections are outdated on this corridor holding importance for integration of Balkans to the EU economy sphere.	

<b>Investment priority</b>	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
<p><b>Related to passenger railway transport following activities are indicatively foreseen:</b></p> <p>Modernization, rehabilitation and new construction of regional railway lines serving commuter passenger traffic. Tentatively, it is concentrated on wider Zagreb area as the biggest population and economic agglomeration thereby having the most of needs and impact. Of note is that some commuter lines coincide with TEN-T corridors thereby serving both cargo and passenger transport. This fact will have influence on activities and technology choices in specific projects.</p> <p>Alongside track investments activities will include also:</p> <ul style="list-style-type: none"> <li>• Actions enhancing services of railway transport to users (E-services, single ticketing, station and onboard (in train) information systems).re-integration of railways within existing urban transport systems (operations synchronization – joint/aligned timetables with urban transport)</li> <li>• Purchase and modernization of passenger rolling stock linked to specific lines – it is substantial to pair line modernization with rolling stock in order to provide better services and consequently get bigger share in modal split. Also, fleet modernization can further improve impact on local environment. Because of the priority given to line modernization and need to duly justify and precisely define technical requirements this activity will be depending on findings of the National Traffic Model and the refined Transport Strategy in 2016. Thus, the initial allocation for rolling stock is restrictive.</li> <li>• Modernization of railway stations within the lines/sections being modernized i.e. improve accessibility to persons with restricted mobility and general population, in-station traffic management systems, safety features on stations, etc.</li> </ul> <p><b>Related to both passenger and cargo railway transport</b> it is indicatively foreseen to invest into centralized traffic management system:It is necessary to define the level of traffic management, traffic management competencies, ways of train traffic control. The final result should be the introduction of a central traffic management on railway lines operated by HŽ Inafrastuktura Ltd. Expected effect of the central traffic management is a significant reduction in operating costs of railroads with better utilization of available transport and bandwidth usage</p> <p>Traffic monitoring on the lines involved in the central traffic management will be performed by the supervisory part of the operational management and control center, while the operational management is performed by the operational control unit and 3 regional operational control center. The centers of the</p>	

<b>Investment priority</b>	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
<p>central traffic management will be organized as follows: - Operational Control and Monitoring Centre Central Croatia (Zagreb) 1. the supervisory part of the whole of Croatia 2. the operational control part of the Central Croatia - Regional Operational Control Center East (Vinkovci) - Regional Operational Control Center West (Rijeka) - Regional Operational Control Center South (Knin), with a separate remote control center Ploče.</p> <p>In all groups of activities the construction of infrastructure which will reduce influence on environment, have provisions for climate change resilience and preparation of project documentation will be included.</p> <p><b>Potential beneficiaries and final recipients</b></p> <p>The beneficiaries will be the Croatian Railway Infrastructure, HŽ INFRASTRUKTURA d.o.o. (the state-owned Limited Liability Company for Management, Maintenance and Building of Railway Infrastructure) and railway operators, owners of railway stations and local authorities as far as urban transport integration projects are concerned.</p> <p>The intervention will ensure a satisfactory level of service for passengers and for business using the railway network to move goods, and ensure that the rail network will be able to increasingly compete with other less environmentally friendly forms of transport. Through improving connectivity across Croatia the intervention will also help support the economic competitiveness of the Croatian economy and the economic wellbeing and vitality of regional centers.</p>	

#### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> </ul>	

<b>Investment priority</b>	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
<ul style="list-style-type: none"> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>SO Specific guiding principles:</p> <ul style="list-style-type: none"> <li>• project have to comply with respective comprehensive transport plan prepared and adopted by authorized bodies</li> <li>• infrastructure improvements located on or directly linked to the Mediterranean core TEN-T corridor will be prioritized</li> <li>• preference will be given to projects linking rail to other modes of public transport</li> <li>• infrastructure projects must show a reasonable rate of return of investment in terms of improved speed and passenger / freight data and impact on the local economy</li> <li>• any equipment purchased must meet the current environmental standards for CO2 emissions</li> <li>• rolling stock and equipment can only be funded where directly related to the improvement of a specific section of the railway infrastructure</li> <li>• compliance with ERTMS (ECTS2 and GSM-R standards)</li> </ul>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
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<b>Investment priority</b>	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
n/a	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures
<p>first to be implemented:</p> <ul style="list-style-type: none"> <li>• Dugo Selo – Križevci (from period 2007-2013, subject to phasing)</li> <li>• Hrvatski Leskovac - Karlovac</li> <li>• Communication project for ETCS2</li> </ul> <p>secondary list:</p> <ul style="list-style-type: none"> <li>• Križevci - Koprivnica –national border</li> <li>• Dugo Selo – Novska</li> <li>• Okučani - Vinkovci</li> <li>• Zaprešić – Zabok</li> <li>• Škrljevo - Rijeka – Jurdani - Šapjane</li> <li>• Traffic management center</li> </ul> <p>Also other projects can be identified during implementation of the OP.</p>	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		7iii - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise reduction measures							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO12a	Railway: Total length of reconstructed or upgraded railway line, of which: TEN-T	km	CF				78.40	Project implementation reports	annually
7cc13	Total length of new railway line	km	CF				12.20	Project implementation reports	annually
7cc14	Constructed and reconstructed stations on railway lines	number	CF				9.00	Project implementation reports	annually
7cc15	ETCS2 coverage length	km	CF				328.00	Project implementation reports	annually
7cc16	Passenger cars purchased	number	CF				10.00	Project implementation reports	annually

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	7 - Connectivity and Mobility

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis		7 - Connectivity and Mobility											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO13	O	Roads: Total length of newly built roads	km	ERDF	Less developed			10			72.00	Project implementation reports	Chosen because road construction consume 82.5% of ERDF, 25.2 % of PA allocation. Together with other PF output indicator covers 55,7 % of PA allocation.
TrF1	F	Total amount of certified eligible expenditure	euro	ERDF	Less developed			93,158,725.00			400,000,000.00	Ministry of Finance	
TrI1	I	Volume of contracted projects for newly build roads	euro	ERDF	Less developed			150,000,000.00			330,000,000.00	contracts	refers to the ERDF part of financed contracts  Given the planned dates for the project implementation it is not expected to have significant output by 2018  The milestone target reflects the necessity to contract large part of allocation by 2018 in order to finish projects by 2023
CO12a	O	Railway: Total length of reconstructed or upgraded	km	CF				20.00			78.40	Project implementation	Chosen because TEN-T rail line rehabilitation projects consume

Priority axis		7 - Connectivity and Mobility											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator.
		railway line, of which: TEN-T										reports	54.6% of CF, 30.5% of PA allocation Together with other PF output indicator covers 55,7 % of PA allocation.
TrF2	F	Total amount of certified eligible expenditure	euro	CF				211,476,776.00			910,205,755.00	Ministry of Finance	
TrI2	I	Volume of contracted projects for reconstruction or upgrading TEN-T railway lines	euro	CF				300,000,000.00			500,205,755.00	contracts	refers to the CF co financing part of contracts  Give n the planned dates for finishing the project preparation in railways it is not expected to have significant output by 2018  The milestone reflects the necessity to contract large part of allocation by 2018 in order to finish projects by 2023.

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

## Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		7 - Connectivity and Mobility	
Fund	Category of region	Code	€ amount
ERDF	Less developed	028. TEN-T motorways and roads - core network (new build)	330,000,000.00
ERDF	Less developed	034. Other reconstructed or improved road (motorway, national, regional or local)	70,000,000.00
CF	Less developed	024. Railways (TEN-T Core)	400,000,000.00
CF	Less developed	026. Other Railways	50,000,000.00
CF	Less developed	027. Mobile rail assets	50,205,755.00
CF	Less developed	037. Airports (TEN-T)	100,000,000.00
CF		039. Seaports (TEN-T)	30,000,000.00
CF		040. Other seaports	50,000,000.00
CF		041. Inland waterways and ports (TEN-T)	60,000,000.00
CF		043. Clean urban transport infrastructure and promotion (including equipment and rolling stock)	135,000,000.00
CF		044. Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	20,000,000.00
CF		090. Cycle tracks and footpaths	15,000,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		7 - Connectivity and Mobility	
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Fund	Category of region	Code	€ amount
ERDF		01. Non-repayable grant	400,000,000.00
CF		01. Non-repayable grant	910,205,755.00
CF		04. Support through financial instruments: loan or equivalent	0.00
CF		05. Support through financial instruments: guarantee or equivalent	0.00

**Table 9: Dimension 3 - Territory type**

Priority axis	7 - Connectivity and Mobility		
Fund	Category of region	Code	€ amount
ERDF		01. Large Urban areas (densely populated >50 000 population)	40,000,000.00
ERDF		02. Small Urban areas (intermediate density >5 000 population)	40,000,000.00
ERDF		07. Not applicable	320,000,000.00
CF		01. Large Urban areas (densely populated >50 000 population)	250,000,000.00
CF		02. Small Urban areas (intermediate density >5 000 population)	100,000,000.00
CF		07. Not applicable	560,205,755.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis	7 - Connectivity and Mobility		
Fund	Category of region	Code	€ amount
ERDF		05. Other integrated approaches to sustainable urban/rural development	100,000,000.00

Priority axis		7 - Connectivity and Mobility	
Fund	Category of region	Code	€ amount
ERDF		07. Not applicable	300,000,000.00
CF		01. Integrated Territorial Investment – Urban	50,000,000.00
CF		05. Other integrated approaches to sustainable urban/rural development	240,000,000.00
CF		07. Not applicable	620,205,755.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		7 - Connectivity and Mobility	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	7 - Connectivity and Mobility
<p>This priority axis includes technical assistance in the form of the project pipeline preparation for current financing period but also for the next one. It is also envisaged to support development of specific transport studies above the project level e.g. regional or subsector studies, data generation, etc. in order to facilitate the implementation of priority axis.</p>	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	8
<b>Title of the priority axis</b>	Social Inclusion and Health

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)**

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	9a
<b>Title of the investment priority</b>	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1
<b>Title of the specific objective</b>	Improving access to primary and emergency health care, with focus on isolated and deprived areas
<b>Results that the Member States seek to achieve with Union support</b>	<p>The result to be achieved is to improve access to high-quality primary and emergency health care services, especially in isolated and deprived areas, and in that way reduce hospital referral rates from primary health care providers in those areas by at least 15% due to more diagnostic and therapeutic procedures provided at the primary health care (PHC) level.</p> <p>Regarding PHC, inhabitants of areas with insufficient number of PHC teams face limited access to health care and sometimes have to travel long distances to reach the nearest PHC practice or visit a hospital. The absence of PHC teams increases pressure on hospital services because patients from deprived areas are more likely to seek help directly from hospitals. Across the whole Croatia, there are 255 PHC teams (general practice, primary paediatrics, primary gynaecology) envisaged by the Network of Public Health Service (O.G. 101/2012) but not all have been established due to inadequate infrastructure, lack of equipment or lack of medical staff.</p> <p>ERDF will focus on primary health care providers which do not comply with the Ordinance on minimal conditions for the provision of health care services as well as on socio-economically deprived and geographically isolated areas. Deprived areas are identified on the basis of their development index.</p> <p>In addition, in order to support to PHC providers, important element of completion of the primary health sector reforms is ensuring the access to efficient emergency health care. Emergency medical service (EMS) in most parts of Croatia has been significantly improved through the reform undertaken during the last couple of years. With the support from the World Bank, emergency dispatch centers have been equipped with telecommunication devices in all Croatian counties and the capital city, 128 emergency vehicles have been purchased for county-level Centers for Emergency Medicine, and majority of conjoint emergency medical wards have been equipped and adapted where needed. Conjoint emergency medical wards are the most effective and efficient approach to providing EMS in hospitals, but there are still seven hospitals in Croatia with no such ward in function. Two of them will be addressed through public-private partnership, and one conjoint emergency medical ward is to be built and equipped from the state budget. ERDF will be used to support investments in the remaining four hospitals.</p> <p>Furthermore, ERDF will be used to improve transport and care of emergency patients from Croatian islands through establishing rapid sea emergency medical service. As a result, patients from islands will be transported more quickly and in</p>

	adequately equipped vessels, EMS will be available in cases of sea accidents and disaster situations at sea and cross-border health care provision will be improved, as per Directive 2011/24/EU.
<b>ID of the specific objective</b>	2
<b>Title of the specific objective</b>	Improving cost-efficiency and access to hospital care
<b>Results that the Member States seek to achieve with Union support</b>	<p>Result to be achieved is the increased cost-efficiency and sustainability of health system by reducing the number of admissions to acute inpatient wards in hospitals included in the National Plan for Development of Clinical Hospital Centers, Clinical Hospitals, Clinics and General Hospitals in the Republic of Croatia (NPDH) by at least 10 %. Also, specific vulnerable groups of patients will have access to improved health care facilities.</p> <p>Cost-efficiency of the health care system and access to hospital services can be greatly improved through change in the modality of hospital care provision. Currently, hospital care in Croatia is primarily based on acute inpatient care, which is not only most expensive but often unnecessary for the optimal treatment of patients in hospitals. A shift from acute inpatient care towards treating the majority of patients in day hospitals/day surgeries is one of the main goals of the NPDH, and also is one of the key measures defined in the National Reform Program of the Republic of Croatia and is in line with the Country Specific Recommendation for sustainable and cost-effective healthcare.</p> <p>In general, costs of the intervention/surgery per day make 40-60 % of the total cost of the stationary treatment. An increase in share of daily procedures of 15-20% over a period of three years could generate 50% more savings in these cases and consequently 5-7% savings in the overall budget for health care. By increasing the number of patients treated in day hospitals and day surgery, together with the increase in average occupancy rates of hospital beds at optimal 85% and by shortening the average length of stay in hospitals by 10-30%, turnover of patients would be increased, which would allow a significant reduction in acute stationary capacities in hospitals without compromising the availability of hospital care.</p> <p>Thus, the change in modality of care will increase the productivity of hospitals and improve throughput of patients, contributing to the reduction in waiting lists. Another effect will be reduced number of sick leaves.</p> <p>Furthermore, particularly vulnerable groups are affected by limitations in access to specific hospital services, which are currently inefficient or undeveloped. Among various vulnerable groups defined in the Croatian Strategy for Combating Poverty and Social Exclusion 2014-2020, ERDF investments under this specific objective will aim to improve the efficiency</p>

	<p>and access to hospital services for the following vulnerable groups: children, people with mental disorders, psychiatric patients, dying patients, and patients with the most severe physical disability such as those with spinal injuries. These groups require assistance which often results in their family members having to take sick leaves or even be unable to enter the labour market. Investments in hospitals and hospital departments providing care for these vulnerable groups can reduce the burden on family members/carers and contribute to another key measure identified in the National Reform Program, i.e. reducing the rate of sick leaves. Also, those vulnerable patients will have access to hospital care which is previously very poor or non-existent.</p>
<b>ID of the specific objective</b>	3
<b>Title of the specific objective</b>	To promote social inclusion and reducing inequalities by transition from institutional to community-based services through improved social infrastructure
<b>Results that the Member States seek to achieve with Union support</b>	<p>Croatia is facing regional unevenness in the development and availability of social services. The problem needs to be addressed from two closely connected aspects. Firstly, based on Plan of Deinstitutionalization, main goal of the <b>process of deinstitutionalisation</b> is to increase the number of people leaving the social welfare homes providing long stay care. The expected result of the deinstitutionalisation process is the reduction of the number of persons entering the institutions and increasing the number of people leaving long-stay institutions. It is presented by the number of users who need to be deinstitutionalised. The expected results until 2016 (2018) are: to deinstitutionalise 301 children and youth without adequate parental care; 90 children and youth with behavioural disorders; 427 persons with intellectual, sensory and physical impairment until 2016 and 226 persons with mental impairment till 2018. The target value for the reduction of the number of people in institutions as used for the result indicator is based on the estimate for the number of people which are going to be deinstitutionalised by 2023 as per the draft Operational Plan which will be adopted for the period 2017-2020.</p> <p>On the other hand, there is a need to improve availability of community based services for the vulnerable groups, to enable better access and to ensure higher quality of social services. Support to the broadening the network of these services provided by various service providers like NGOs is a precondition for sustainable deinstitutionalisation. It is necessary to support the provision of a wider range of community services for vulnerable groups, in order to prevent institutionalisation. Further, to better prepare users and their families for deinstitutionalisation it is necessary to improve conditions of social welfare centres, which support this process.</p> <p>All of the regions have insufficient availability and accessibility of social services provided to members of vulnerable groups as defined in Strategy for Combating Poverty and Social Exclusion, and projects will be implemented in the entire Croatian</p>

	territory.
<b>ID of the specific objective</b>	4
<b>Title of the specific objective</b>	To implement pilot actions aiming to promote social inclusion and reduce poverty for the war veterans and war victims
<b>Results that the Member States seek to achieve with Union support</b>	<p>Result to be achieved is improved and concentrated psychosocial care provision available through the establishment and equipment of 4 veteran centres, with the final aim of better inclusion of this specific target population into the society. ESF and ERDF will be used in a complementary manner as defined in the section on Actions.</p> <p>Consequences of the Homeland War among the veterans are not reflected only in health, but also in social problems. In addition, the consequences do not relate only to veterans, but also to members of their families and all the other victims of war. Therefore, the number of persons in need of assistance is rather large due to the fact that it is not decreasing over time, but its structure changes.</p> <p>Due to the absence of a comprehensive system for psycho-social care for the war veterans and war victims, and regarding the fact that this is the population which, due to the specific needs it requires, has a somewhat difficult access to social services of general interest, as well as the need for specific services adapted to its needs, there is a genuine need of concentrated psychosocial care provision by establishment of veteran centres on local level - which are primary day centres that will provide services for people in need and thus facilitate inclusion of users in community.</p>

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		1 - Improving access to primary and emergency health care, with focus on isolated and deprived areas						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
9a11	Reduction in hospital referral rates from primary health care providers in deprived/isolated areas	No. of referrals	Less developed	490,207.00	2013	416,676.00	Croatian Health Insurance Fund	annually
Specific objective		2 - Improving cost-efficiency and access to hospital care						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
9a21	Reduction in number of admissions to acute inpatient wards in hospitals covered by the NPDH	number	Less developed	4,157,784.00		3,742,000.00	Croatian Health Insurance Fund	annually
Specific objective		3 - To promote social inclusion and reducing inequalities by transition from institutional to community-based services through improved social infrastructure						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
9a31	Reduction of number of people in institutions	%	Less developed	5.00	2014	25.00	MIS, surveys	annually
Specific objective		4 - To implement pilot actions aiming to promote social inclusion and reduce poverty for the war veterans and war victims						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
9a41	Average share of stationary and mobile intervention provided by Centers for psychosocial assistance in the number of Homeland war veterans and war victims	%	Less developed	13.80	2013	10.30	Ministry of Veterans' Affairs	annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<i>Examples of actions to be financed to achieve the specific objectives :</i>	
<b><u>SO 9a1:</u></b>	
<p>In line with the Network of Public Health Service (O.G. 101/2012), which defines the network of <b>primary health care</b> teams, PHC providers covering areas that are socio-economically deprived, defined on the basis of development index on the county level, and in geographically isolated areas, primarily islands, may receive ERDF support, which will be based on proposals prepared by PHC providers combining integrated ERDF and ESF actions. In their project proposals, PHC providers will have to demonstrate that the received support will improve the access to PHC throughout the area they are covering, but especially in areas that are lacking PHC teams according to the Network of Public Health Service.</p>	
<p>ERDF will support actions such as purchase of medical equipment (e.g.radiology devices with digitalization to enable use of telemedicine, mammography, ultrasound, laboratory analysis equipment, mHealth), renovation or construction of infrastructure of Primary Health Care Centres necessary for an effective functioning of PHC teams. This will apply only to a limited number of locations, where necessary facilities are in a very poor condition or non-existent, or to provide access to disabled persons (in accordance with the Ordinance on Minimal Conditions for the Provision of Health Care Services OG 61/2011).</p>	
<p>To attract physicians to work in deprived areas, complementary ESF actions will support them through scholarships for specialty education in PHC and training of other health care professionals in delivering services in the eligible areas thus ensuring the availability of qualified teams to use the infrastructure and equipment delivered under ERDF. To ensure sustainability, health care professionals receiving support from the ESF will be obliged to work for at least 5 years at the required location. The relevant national authority will closely monitor the sustainability of the ERDF and ESF investments and will ensure that if needed, the necessary actions are taken to ensure the sustainability of investments.</p>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>Beneficiaries of this action are PHC providers and Ministry of Health.</p> <p>Target group are all inhabitants of the given deprived or isolated areas.</p> <p>ERDF investments in improving <b>emergency health care services</b> will include establishment of emergency medical sea transport by specialized boats with necessary equipment and by arranging port berths. The number of boats (up to six) will be decided after completion of feasibility study, which is planned as the first phase of the investment.</p> <p>Beneficiaries will be Centers for Emergency Medicine providing emergency medical services to islands and the Ministry of Health.</p> <p>Regarding conjoint emergency medical wards in hospitals that still do not have such wards in hospitals, the necessary works and equipment will be defined as per the Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing emergency medical services (OG 42/2011) and might include constructing or adapting hospital premises, purchase of equipment such as digital X-ray devices, mobile ultrasound devices, respiratory-, cardio-, and other equipment directly connected with improving efficiency of targeted hospital's emergency wards.</p> <p>Beneficiary of this action will be four eligible hospitals.</p> <p>Complementary ESF actions will target specialty training in emergency medicine. Complementarity between envisaged ESF and ERDF actions will be assured through the preparation of joint programming documents as well as through the synchronisation of the timing for the calls for proposals, selection and funding decisions as well as day-to-day contacts.</p> <p><b><u>SO 9a2:</u></b></p> <p>Actions will be implemented on the basis of Implementation Plans prepared by eligible hospitals, which will be assessed by the Ministry of Health on the basis of the NPDH.</p>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p><b>Day hospitals (incl. day surgeries):</b> ERDF investments include reconstruction and refurbishing as well as equipping day hospitals/ surgery wards in Croatian hospitals included in the NPDH. Related ESF activities will include education of staff for day surgery procedures, development of standard operating procedures, safety monitoring, risk assessment, organization of admission and discharge of patients with coordination with primary and community care.</p> <p>Beneficiary of the action: hospitals under the NPDH.</p> <p>Special hospitals for specifically <b>vulnerable groups</b>: one specialized institution per vulnerable group will be eligible under this SO.</p> <p><u>Children</u></p> <p>Actions will include general overhaul and equipping of the only clinic specialized for children’s diseases in the NPDH. Each year this hospital admits 12,500 children for inpatient treatment, and provides ambulatory diagnostic and therapeutic services to 230,000 children, which is more than a quarter of total Croatian population age 0-18 years.</p> <p><u>Psychiatric patients</u></p> <p>Actions include construction and equipping of a forensic and high-security psychiatry ward in one specialized hospital, according to the standards laid out in the Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing health services (OG 61/2011).</p> <p><u>Dying patients</u></p> <p>Systematic development of palliative care, i.e. care for dying patients, has begun only recently, with the adoption of Strategic Plan for Development of Palliative Care in Republic of Croatia for the period 2014-2016. This Strategic Plan puts an emphasis on the development of community-level palliative care, but recognizes the necessity of hospital capacities for palliative care, as more than 20% of cancer patients and 5% non-cancer patients require specialist palliative care during the last year of their life. ERDF investment will provide an infrastructural basis for such care, by adaptation and equipping one palliative care hospital in Croatia, according to the standards laid out in the Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing health services (OG 61/2011).</p>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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Patients with spinal injury

Patients with spinal injury and consequent palsy are suffering from most severe physical disabilities, and although there are more than 700 such patients in Croatia, there is no properly equipped center for their comprehensive treatment and rehabilitation. ERDF investment will provide an infrastructural basis for improved care for such patients, by constructing and equipping of a new center for comprehensive treatment and rehabilitation of patients with severe spinal injuries, in a hospital that demonstrates the greatest potential to profile itself into a national reference center.

Complementary actions co-financed by ESF will support continuing medical education and training for working in the ERDF-supported modalities of hospital care, and development of clinical guidelines and pathways of care.

**SO 9a3:**

Under this specific objectives the following actions related to the process of deinstitutionalisation are planned:

At the first phase, infrastructural investments needed for the deinstitutionalisation of 32 institutions included in the detailed and already prepared Operational Plan accompanying Plan for Deinstitutionalisation will be financed, with the possibility to support additional institutions that will be transformed by building on these experiences in the second part of the implementation period. However, it should be noted that the ERDF support for any of these institutions will be provided only when the form of the deinstitutionalisation is in line with the principles as referred to below.

Indicative list includes improving infrastructure of social welfare homes, social welfare centres and other social service providers, such as NGOs (where they are complementary to the needs for deinstitutionalisation process of institutions) regarding the quality of services and infrastructure adjustments for the provision of social services in the community, supporting the process of deinstitutionalization, targeting persons with disabilities, children and youth with behavioural disorders and children and youth without adequate parental care ( e.g., adaptation of facilities related to supported housing, day care centres, work centres, adaptation of social welfare centres premises, equipment for new facilities - IT equipment, furniture and other specialised equipment needed for persons with disabilities, purchase of vehicles as a support to the work of mobile teams providing out of institution care and help at home).

Through the process of deinstitutionalisation, current long-stay institutions are being transformed into centres for provision of community based services

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>(without long-stay services), or using national financing in homes for intensive and long-term care. In addition, institutions that are completely isolated, have inadequate infrastructural conditions and are lacking expert staff will be closed completely and beneficiaries will be directed to other social services providers.</p> <p>No ERDF investments will be allocated 1) to maintain homes for intensive and long-term institutional care; and/or 2) to create new forms of long-term institutional care. If it is decided at national level that a certain part of a target group shall not be de-institutionalised, due to its special needs, a possible refurbishment of the homes where this target group is located, can be ensured by the national funds and not by the ERDF. No ERDF will be allocated to transform the existing long stay homes in centres for provision of community based services when these homes are located in remote and isolated areas. Social welfare centres will be supported by ERDF only if the purpose of the investment will contribute to the successful implementation of the deinstitutionalisation process.</p> <p>The focus of the ERDF investments will be on those institutions that have adequate expert staff, are located in communities, are closing their long-stay capacities and are being transformed into centres for provision of community based services such as day stay, home assistance and care, organised living (with and without 24 hour support in apartments) etc., which are lacking in the community and that are needed according to deinstitutionalisation process.</p> <p>These ERDF actions will be accompanied by ESF type of activities under Priority axis 2 Social inclusion, IP 9iv Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest, focused on improving access to social services in the community and developing and broadening the network of community based social services in order to ensure the sustainability of the process of deinstitutionalisation (e.g. personal assistance services, day care centres, clubs or mobile teams for persons with disabilities, children and youth with behavioural disorders or without adequate parental care, development of support services regarding organized housing, strengthening family reintegration, development of daily rehabilitation program for de-institutionalized beneficiaries, development of methodology and transformation process of deinstitutionalization, counselling services and helping families, individual and group counselling work with parents and foster parents, counselling services and helping children and young people after leaving institutional care, capacity development regarding new type of service, etc.).</p> <p><b><u>SO 9a4:</u></b></p> <ul style="list-style-type: none"> <li>• reconstruction and adaptation of the existing facilities, with the construction of new infrastructure in exceptional cases, for the purpose of the</li> </ul>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>establishment of four pilot Veterans' centres, and purchase of equipment in line with the mapping of war veterans and victims needs that enables implementation of psychosocial programs for the targeted population;</p> <ul style="list-style-type: none"> <li>• evaluation of the implementation of the pilot phase.</li> </ul> <p>The pilot investment will be prepared on the basis of the following elements:</p> <ul style="list-style-type: none"> <li>• Methodology for identifying potential locations of veterans' centres, overall mapping and a model for identifying, evaluating and ranking potential pilot locations. The methodology and the model have been prepared in 2014 in the framework of a study "Concept of veterans' centers in the Republic of Croatia".</li> <li>• Evidence and data on key parameters collected by the Ministry of Veterans' Affairs through a detailed questionnaire.</li> </ul> <p>The questionnaire collected data about the ownership of the property and/or land, the possibility of involvement of users in the health services provided in the area, the possibilities for users involvement in sports and recreational, cultural and art events, the availability of specialized personnel, employment opportunities for people from the target group, the ability to provide occupational therapy services for users of the centre and etc. Such analysis contributes to the synergies with the ESF activities to be implemented in veterans' centres which do not exist in the local community, as well as their maximum effectiveness.</p> <p>After examining all the applications and on-the-spot check that are carried out, the location for establishment the first veteran centre will be selected. After the selection of the first pilot location, feasibility study and construction project will be prepared. In parallel with this process, the same procedure and methodology will be used for the selection of other three locations. The whole package represents a pilot phase testing of this innovative model on four locations.</p> <p>Regarding the complementary ESF type of interventions under TO 8 and TO 9, they include preventive psychosocial programs such as occupational therapy, participation in cultural entertainment and educational programs and sports recreation will be implemented and they will provide counselling and assistance in areas such as protection of veterans and war victims' rights, employment, involvement in the work of veterans' cooperatives and entrepreneurship, financial management, stress management etc., which will increase the social inclusion of the target population and active participation in community life. Complementarity between envisaged ESF and ERDF actions will be assured through the preparation of joint programming documents as well as through the synchronisation of the timing for the calls for proposals, selection and funding decisions as well as day-to-day contacts.</p>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
Target population: war veterans and war victims	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li> </ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p><b><u>SO 9a1:</u></b></p> <p>Support to the PHC providers will be provided according to the following principles:</p> <ul style="list-style-type: none"> <li>-PHC provider is a part of the Network of Public Health Service (O.G. 101/2012),</li> <li>-PHC provider is located in a county classified in the 1st and 2nd group according to the development index</li> <li>-PHC providers belonging to group practices will be given an advantage;</li> <li>-Projects including ESF actions will be promoted</li> </ul> <p>The financing for the PHC Centers and conjoint emergency medical wards in hospitals needs to be aligned with the Ordinance about minimal conditions with regard to space, staff, and medical-technical equipment for providing health services (OG 061/2011).</p> <p><b><u>SO 9a2:</u></b></p> <p>Operations selected must directly contribute to the cost-efficiency of the health sector and be in line with the needs as identified in the hospital Implementation plans</p> <ul style="list-style-type: none"> <li>-Readiness and cost-effectiveness of investment project</li> <li>-Adequate human resources to implement the project</li> </ul>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p><b><u>SO 9a3:</u></b></p> <p>Operations financed under this specific objectives from the ERDF must:</p> <ul style="list-style-type: none"> <li>- be consistent with the objectives of the Plan for Deinstitutionalisation and Transformation of Social Welfare Homes and other Legal Entities Performing Social Welfare Activities in the Republic of Croatia 2011-2016 ( 2018 ), as well as the Plan which will be adopted for the period until 2020;</li> <li>- be consistent with the Operational plans of transformation and deinstitutionalisation of social welfare homes and other legal entities performing social welfare activities in Republic of Croatia;</li> <li>- relate in the first phase mostly to the 32 priority institution in accordance with the Operational plan for the period 2014-2016;</li> <li>- be in accordance with the new Operational Plan which will be adopted for the period 2017-2020;</li> <li>-be in the form which is in line with the principles for using ERDF for the purpose deinstitutionalisation as referred to under this Operational Programme;</li> <li>- contribute to the process of deinstitutionalisation through the development and broadening the network of community based social services for all vulnerable groups;</li> <li>- contribute to the prevention of institutionalisation;</li> <li>- demonstrate clear focus on social exclusion and fight against poverty;</li> <li>-demonstrate clear link with operations co-financed under ESF envisaged under Priority axis 2 Social inclusion, IP 9iv Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest;</li> <li>- be in line with the principles for using ERDF in the section related to actions.</li> </ul>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<b><u>SO 9a4:</u></b>	
Operations financed under this specific objectives from ERDF must:	
-be included in the locations identified by the prepared mapping;	
-be located in the self-government units pre-selected on the basis of the mapping and results of the feasibility study;	
- contribute to the development and broadening the network of community based social services targeting the specific needs of war veteran population;	
-demonstrate clear link with operations co-financed under ESF envisaged under the thematic objectives 8 and 9 of the Operational Programme Effective Human Resources.	

#### **2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
No envisaged	

#### **2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
Not envisaged	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
9a11	Primary health care providers receiving support	number	ERDF	Less developed			200.00	Ministry of Health	annually
9a31	Number of constructed/reconstructed and equipped infrastructure units	No.	ERDF	Less developed			1,500.00	Project implementation reports	annually
9a32	Number of established Veterans' centres	No.	ERDF	Less developed			4.00	Project implementation reports	annually
9a21	Hospital health care providers receiving support	number	ERDF	Less developed			30.00	Ministry of Health	annually

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	9b
<b>Title of the investment priority</b>	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1
<b>Title of the specific objective</b>	Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty
<b>Results that the Member States seek to achieve with Union support</b>	<p>There are two major expected results of using ERDF (in complementary manner with ESF) under this specific objective:</p> <ul style="list-style-type: none"> <li>• Improvement of socio-economic and living conditions in at least 5 <b>pilot small towns</b> over 10,000 to 35,000 inhabitants that will decrease further population loss. Package of interventions will result in the regeneration of degraded areas and contribute to the reduction of inequalities, social exclusion and poverty, and</li> <li>• Design and testing of a new model of area based approach to regeneration of deprived areas by tackling geographically concentrated socio-economic deprivation problems.</li> </ul> <p>The results will be achieved through an integrated approach between ERDF and ESF, primarily through the mix of actions as elaborated under the OP section actions to be supported under the investment priority.</p> <p>Assuming a successful completion of the preparatory phase, which will include the preparation and evaluation of 5 pilot areas intervention plans, the subsequent implementation of intervention plans will have ‘hard’ targets broadly relating to the selected projects’ impact on poverty, implemented in complementarity with soft ESF activities as identified in the intervention plans.</p> <p>The Pilot small towns will be preselected by the MRDEUF using the following objective criteria: size (small towns with 10,000 to 35,000 inhabitants), areas previously affected by war, low index of multiple deprivation (based on available data on social status, employment, demographic criteria, depopulation, level of education, local self-governments’ development potential) as well as Roma minority issues . The Pilot areas of the preselected small town may include, where appropriate the neighboring local units, sharing the same needs and having the joint projects with the preselected small town.</p>

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		1 - Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
9b11	Decrease of the population loss in 5 Pilot areas affected by physical, economic and social regeneration programme	Vital index of the population	Less developed	62.20	2013	67.00	Official national statistics	annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>Under this specific objectives two types of actions are planned:</p> <ol style="list-style-type: none"><li>1. Preparatory actions allowing for better targeting of intervention, engagement of key local stakeholders in preparation of 5 pilot areas intervention plans, increasing the capacity of local and national authorities as well as the stakeholders involved in the process, the creation of a clear strategic approach to regeneration and supporting the preparation of the Intervention Plans:<ul style="list-style-type: none"><li>• Preparation of poverty mapping and the development of the Index of Multiple Deprivation.</li></ul></li></ol> <p>The beneficiary of this action will be MRDEUF.</p> <p>Poverty mapping will be done in parallel with the Pilot Projects to precisely define geographical areas most affected by poverty and degradation in order to understand the underlying determinants of poverty in relation to its spatial distribution for possible future roll out.</p> <ul style="list-style-type: none"><li>• Capacity building of public authorities, CSOs and other stakeholders to deal with complex, area-based integrated regeneration issues as well as the technical support to local authorities during the implementation phase (especially for the execution of the public procurement procedures).</li></ul> <p>Beneficiaries of this action will be MRDEUF and the target groups such as local authorities, CSOs, private companies from selected towns.</p> <p>An important element of the model is also activation of local authorities and partners in order to better target ESIF interventions, elaborated in the intervention plans outlining the needs of a specific area.</p> <ul style="list-style-type: none"><li>• Preparation of the area-based local investment plans for the regeneration of 5 deprived small towns. Pilot areas towns will be preselected by the MERDEUF using the following objective criteria: size (small towns with 10,000 to 35,000 inhabitants), areas previously affected by war, low index of multiple deprivation (derived from available data on social status, employment, demographic criteria, education, Roma minority issues,</li></ul>	

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>local self-governments' development potential). The Pilot areas of the preselected small town may include, where appropriate the neighboring local units, sharing the same needs and having the joint projects with the preselected small town.</p> <p>Beneficiary of this action in the first phase will be five local municipalities of small towns in pilot areas, as well as other stakeholders who will take part in the Intervention plans preparation.</p> <p>Preparation of the evidence-based intervention plans will lead to the creation of a transferrable model to achieve physical, social and economic regeneration of deprived communities in Croatia's urban and rural areas. Depending on the evaluation of effectiveness and efficiency of the intervention plans implementation as well as the availability of funding, it will be possible to prepare intervention plans for more deprived areas, selected in line with the poverty mapping results.</p> <p>2. Implementation of five pilot intervention plans:</p> <p>The local intervention plans, prepared by selected local authorities, should aim at socio-economic and physical regeneration of the given area and include integrated mix of measures contributing to the achievement of the set goals and co-financed by both ERDF and ESF. Intervention plans will be evaluated and approved by the Ministry of Regional Development and EU Funds. Support will be provided in the form of grants for 5 pilot projects in the preselected pilot areas realizing the goals of the targeted deprived areas defined by the investment plans. ERDF funds will create the community and economic infrastructure, necessary to secure sustainability. ESF will be used in an integrated manner to co-finance provision of social, educational, economic and employment- related services necessary for the effective realisation of the intervention plans' objectives.</p> <p>Beneficiaries of this action are local authorities of the pilot areas towns as well as municipal and state institutions, non-governmental organisations, state-financed social and health service providers, non-profit economic and development associations and associations of local governments, small businesses in pilot areas. The main target groups are inhabitants of 5 pilot areas small-towns with emphasis on people with low social status and at risk of social exclusion as well as returnees and refugees, Homeland war veterans and victims and Roma population.</p> <p>Realisation of five integrated intervention plans prepared by local authorities and evaluated by the MRDEUF to tackle the underlying causes of poverty and social exclusion will be supported both from the ERDF and ESF. The integration of activities will be done through the Intervention Plans for each of</p>	

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>five Pilot Projects.</p> <p>Intervention plans may include various regeneration activities in deprived areas, depending on the specific needs identified in a specific area. Indicative list includes:</p> <ul style="list-style-type: none"> <li>• Investments in facilities intended for public use including investments in public spaces and facilities such as public green areas, walking trails, open drainage canals, markets, parking lots, public buildings and facilities used for educational, cultural and recreational purposes in order to establish, improve or expand basic services (construction/reconstruction)</li> <li>• Investments in construction/reconstruction of all types of small-scale basic utilities (such as gas, electricity, water, sanitation);</li> <li>• Construction/reconstruction of uncategorised municipal roads (under the responsibility of local government) including sidewalks, stops for public transport and street lighting;</li> <li>• Construction/reconstruction of existing housing stock in function of social housing as well as the conversion of buildings for social housing and other purposes (including business);</li> <li>• Development and implementation of social housing programmes in cooperation with the local and regional government including state-subsidized construction to be used for social housing tenancy;</li> <li>• In coordination with actions foreseen under SO under this OP related to investments in basic primary health care infrastructure and equipment;</li> <li>• Investments in basic social infrastructure regarding the broadening of the network of services in the community (especially regarding elderly care);</li> <li>• Other activities that are needed for the complex development of the infrastructure of smaller towns and village areas (including demolition of buildings and structures that use resources inefficiently and damage the environment);</li> <li>• Construction or renovation of business support facilities connected especially to the ESF support to self-employment, micro-enterprises and social entrepreneurship activities;</li> <li>• Direct support to the creation of start-ups, survival and growth of existing SMEs and business support institutions, specifically tailored to meet the needs and potentials in terms of economic development of selected areas, including higher intensities of support per project coupled with on-going technical assistance, support and mentoring in all stages of business development.</li> </ul> <p>These ERDF type of activities will be implemented in a complementary and integrated manner with the following ESF activities, envisaged under the specific objective 9iv2 of the Operational Programme Effective Human Resources, such as:</p> <ul style="list-style-type: none"> <li>• Support to self-employment;</li> </ul>	

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
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- Support to the development of social entrepreneurship;
- Broadening the network of community-based health and social services;
- Employment and skills related trainings tailored to the needs of vulnerable groups;
- Actions aimed to foster employment of youth and facilitate their transition from the educational system into the labour market, including the promotion and outreach activities aimed at youth in general;
- Activities enhancing first employment for acquiring work experience especially in fields of social care, education, project management, with emphasis on help and assistance in the community, in order to promote youth employment and employability;
- Investment in youth centres, information centres and youth clubs;
- Promotion of labour market and social integration of the vulnerable groups, and combating any form of discrimination;
- Provision of support to educational institutions developing and delivering all types and all levels of educational programmes;
- Development and implementation of new verified programmes in the fields which are of strategic importance for Croatia, development and implementation of priority programmes of formal and non-formal learning.

During the implementation of the Pilot projects the regeneration model will be tested and capacity will be developed. It will lead to the creation of a transferrable model to achieve physical, social and economic regeneration of deprived Croatia's urban and rural areas. An important element of the model is also activation of local authorities and partners in order to better target ESIF interventions.

Later on further roll-out of the regeneration model is possible, depending on the available funds and positive external evaluation of the pilot projects' implementation results. The roll out of regeneration model may be implemented in other degraded small and medium sized towns with 10,000 to 35,000 inhabitants to be identified based on the poverty mapping. The possible roll out includes the preparation of the intervention plans for at least further 5 degraded small and medium sized towns.

In the process of development and implementation of the physical, social and economic regeneration programme, non-discrimination principles have been and will be taken into account including desegregation and not allowing new segregation in the areas of interventions. Equal opportunities and non-discrimination principles will be applied with special focus on minorities and other vulnerable groups - especially Serb returnees and refugees and Roma, Homeland war veterans and victims. This includes means of positive action measures and activities targeted to support the particular vulnerable groups.

The decrease of the population loss in 5 Pilot areas as the result indicator will be measured by the **vital index of the population**. This index is determined by the national statistics, using basic demographic indicators for depopulation as the ratio of births to deaths within a population during a programme

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>implementation. The index is calculated on the basis of the average data for the last three year (live births per 100 of deaths).</p> <p>Regarding the OP output indicator targets, they will be defined by end 2015 after the completion and evaluation of the Intervention plans outlining the selected type of operations (indicative activities are listed above) and targets. Namely, each Intervention plan will have to outline its target value per OP output indicator, which will be aggregated at the OP level once the evaluation of the Intervention plans is concluded. Bodies responsible for setting the targets at the Intervention plan level are local authorities in five pilot areas, while the evaluation of the targets as well as their aggregation at the OP level is the responsibility of the MRDEUF.</p>	

#### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"> <li>• clear and quantifiable contribution to the relevant output and result indicator targets</li> <li>• maturity of the project design</li> <li>• cost-effectiveness</li> <li>• sustainability (esp. financial)</li> <li>• implementation capacity</li> <li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li> <li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the</li> </ul>	

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>implementation of the macro-regional strategies.</p> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p>Five pilot locations will be preselected on basis of the index of multiple deprivation . This index is calculated on the basis of socio-economic data available at the municipality level regarding unemployment, demographics, level of education, portion of population on social welfare, with one town that meets criteria of significant Roma minority.</p> <p>Common overall principle for all operations supported in five pilot small areas is to contribute to the socio-economic regeneration of the towns concerned. The operations selected in the intervention plans will be evaluated by external evaluators (ex-ante evaluation).</p> <p>Operations financed under this specific objectives from ERDF will selected on the basis of the following criteria:</p> <ul style="list-style-type: none"> <li>• compliance with approved intervention plans,</li> <li>• support to socio-economic activation of inhabitants,</li> <li>• contribution to the reduction of social exclusion and fight against poverty,</li> <li>• improvement of the quality of degraded physical infrastructure in the targeted areas,</li> <li>• coordination and synergy with projects realised in five pilot towns under other specific objectives,</li> <li>• demonstrate clear link with operations co-financed under ESF envisaged under the specific objective 9.4.2 of the Operational Programme Effective Human Resources.</li> </ul> <p>Priority will be given to projects dealing with the problems of vulnerable groups, especially refugees, internally displaced persons, returnees, Homeland war veterans and victims and Roma minority. Participation of CSOs and other non-public authorities in preparation and realisation of projects will be promoted.</p> <p>Activities which belong to the preparation of the investment plans and their evaluation and capacity building activities, as well as the preparation of poverty mapping will be contracted by the Ministry of Regional Development and EU Funds through open procurement procedure.</p> <p>Detailed criteria will be defined by the MA and approved by the Monitoring Committee for the Operational Programme.</p>	

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
Not envisaged.	

### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
Not envisaged.	

### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		<b>9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas</b>							
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Fund</b>	<b>Category of region (where relevant)</b>	<b>Target value (2023)</b>			<b>Source of data</b>	<b>Frequency of reporting</b>
					<b>M</b>	<b>W</b>	<b>T</b>		
CO01	Productive investment:	Enterprises	ERDF	Less developed			0.00	Project implementation	annually

Investment priority		9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Number of enterprises receiving support							reports	
9b11	Number of intervention plans prepared and implemented	No.	ERDF	Less developed			5.00	Project implementation reports	annually
9b12	Rehabilitated or newly constructed housing units	m2/number of units	ERDF	Less developed			0.00	Project implementation reports	annually
9b13	Constructed or rehabilitated infrastructure	Number of units	ERDF	Less developed			0.00	Project implementation reports	annually

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	8 - Social Inclusion and Health

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis	8 - Social Inclusion and Health

ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
PF8.1	F	Total amount of certified eligible expenditure	EUR	ERDF	Less developed			97,654,998			419,411,768.00	Ministry of Finance	
9a22	O	Hospital health care providers receiving support	number	ERDF	Less developed			5			30.00	Ministry of Health	This performance framework output indicator under the SO 9a2 represents 29.45% of the total allocation to the priority axis 8.  Together, these two performance framework output indicators account for 53.71% of the total allocation to the priority axis 8.
9a31	O	Number of constructed/reconstructed and equipped infrastructure units	No.	ERDF	Less developed			300			1,500.00	Project implementation reports	This performance framework output indicator under the SO 9a3 represents 24.26% of the resources under priority axis 8.  Together, these two performance framework output indicators account for 53.71% of the total allocation to the priority axis 8.

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

## Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		8 - Social Inclusion and Health	
Fund	Category of region	Code	€ amount
ERDF	Less developed	001. Generic productive investment in small and medium –sized enterprises ('SMEs')	20,000,000.00
ERDF	Less developed	053. Health infrastructure	150,000,000.00
ERDF	Less developed	054. Housing infrastructure	25,000,000.00
ERDF	Less developed	055. Other social infrastructure contributing to regional and local development	154,500,000.00
ERDF	Less developed	121. Preparation, implementation, monitoring and inspection	7,000,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		8 - Social Inclusion and Health	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Non-repayable grant	356,500,000.00

**Table 9: Dimension 3 - Territory type**

Priority axis		8 - Social Inclusion and Health	
Fund	Category of region	Code	€ amount
ERDF	Less developed	02. Small Urban areas (intermediate density >5 000 population)	100,000,000.00
ERDF	Less developed	07. Not applicable	256,500,000.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		8 - Social Inclusion and Health	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	356,500,000.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		8 - Social Inclusion and Health	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	8 - Social Inclusion and Health
<p>Under the specific objectives 9a1 and 9a2, it is also needed to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for investments in health equipment and infrastructure. Public and private health care providers don't have the needed capacity and skills to prepare high quality infrastructure project documentation with all the accompanying technical documentation by themselves in order to apply and receive the funding for infrastructural investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.</p> <p>Under the specific objective 9a3, it is also needed to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects to be able to receive the support from ERDF for investments in social care equipment and infrastructure. Public and private social care providers don't have the needed capacity and skills to prepare high quality infrastructure project documentation with all the accompanying technical documentation by themselves in order to apply and receive the funding for infrastructural investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured</p>	

Under the specific objective 9b1, it is also needed to provide support for enhancing the capacity of potential beneficiaries in preparing Intervention plans as well as high quality projects to be able to receive the support from ERDF for the planned investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured.

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	9
<b>Title of the priority axis</b>	Education, Skills and Lifelong Learning

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both

**2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund** (where applicable)

### 2.A.3 Fund, category of region and calculation basis for Union support

<b>Fund</b>	<b>Category of region</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>	<b>Category of region for outermost regions and northern sparsely populated regions (where applicable)</b>
ERDF	Less developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	10a
<b>Title of the investment priority</b>	Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1
<b>Title of the specific objective</b>	To develop digitally mature schools ready to use the potential of ICT in education and development of 21st century skills needed on the job market
<b>Results that the Member States seek to achieve with Union support</b>	<p>Result to be achieved through this SO is to raise digital maturity of at least 60% of primary and secondary schools, with 50% of the schools being at e-Enabled level (with elements of ICT vision for teaching and learning), which would ensure the basis for increasing digital competences of both teachers and students as well as modernisation of learning outcome based curricula and the development of key and transversal competences.</p> <p>Within e-Schools digital content and ICT in teaching practices will be integrated in 7th and 8th grade of primary and all four grades of secondary grammar schools.</p> <p>Intervention under this SO will be focused on increasing integration of ICT in schools everyday life, through infrastructure part of the e-Schools project, by equipping primary and secondary schools with appropriate LANs (local Internet networks in schools) and procurement of ICT equipment for teachers and learners as well as other ICT related equipment. e-Schools” project is a complex, multi-purpose project that will result in informatisation of administration, teaching and learning within schools in order to raise the level of digital maturity of majority of Croatian public funded schools by 2023. Investments in this SO are strongly interlinked with investments in e-Schools through OP EHR where raising the level of digital competence of students, teachers, headmasters, schools expert and administration staff will be especially emphasized. In order to successfully coordinate OP EHR and OP CC measures within the project, a Project Management Committee will be established on inter-ministerial level, comprised of representatives of relevant ministries/Managing Authorities and representatives of other stakeholders. Also, complementarity between envisaged ESF and ERDF actions will be assured through the preparation of joint programming documents as well as through the synchronisation of the timing for the calls for proposals, selection and funding decisions as well as day-to-day contacts. Policies and actions at infrastructure level are needed to enable the majority of pupils to learn in digitally mature schools. Increasing pupils’ ICT-based activities during lessons and as a consequence their digital competence, need to be boosted. Policies and actions to support quantitative and qualitative increase in teacher professional development are probably the most efficient ways to obtain results in this area; however, this has to go in parallel with the equipping schools with adequate ICT equipment and to providing schools with adequate broadband access to Internet.</p> <p>E-Schools are digitally mature schools, connected to ultra-fast Internet, highly equipped with adequate ICT, with high level of informatisation of administration and education processes. Concept of digitally mature schools is based on five levels of</p>

	<p>digital maturity (Basic, Initial, e-Enabled, e-Condifent, e-Mature) spread across four segments of digital maturity: Infrastructure and e-Administration that will be addressed through OPCC measures and Digital Content, Schools ICT Culture and Professional Development that will be addressed through OP EHR measures.</p> <p>This is in line with Economic Programme of the Government of the Republic of Croatia 2013, as well as with the Strategy for Education, Science and Technology, which recognises the need to improve use of ICT in learning and teaching in education as one of its main goals.</p>
<b>ID of the specific objective</b>	2
<b>Title of the specific objective</b>	Modernization, improvement and expansion of accommodation infrastructure in higher education to improve access and completion for disadvantaged students
<b>Results that the Member States seek to achieve with Union support</b>	<p>Strategy for Education, Science and Technology highlights the need to increased access to higher education and to improve quality and relevance of higher education programmes. Several studies have suggested that only 59% of total students enrolled in HEIs in Croatia successfully complete their studies, while 41% of students drop out of studies, mostly in the early stages of study (according to the data on student subsidies from MoSES data base ISSP). Preliminary analysis shows that one of the main reasons for dropping out is insufficient resources to study. It is suggested by relevant studies that 20% of students need to have available accommodation in dormitories. According to the Croatian Bureau of Statistics, data from 2013/2014, there are 10.536 places in dormitories and 161.911 students enrolled (not counting postgraduate students), resulting in 6.69% ratio of available accommodation capacity and the number of students (in 2012), which is far below recommended. Between 50% - 75% of students in Croatia who apply for accommodation are rejected every year and 31% of all students are subtenants. EUROSTUDENT research shows that almost half of the totals of students' expenses are related to accommodation and costs of living despite the fact that the Croatian student financial support system is aimed at alleviating these costs through subsidies. High living expenses are a great obstacle especially for potential students coming from smaller towns and rural parts of Croatia. Furthermore, lower accommodation costs for students from disadvantaged groups reduces the need for students to work during their studies and in that way reduces the threat of dropping out or prolonging their studies. This influences the drop-out rates and should have and positive effect on the national headline target regarding HE. Current criteria for student accommodation in dormitories are already predominantly based on socio economic elements, on top of which certain points are awarded on the basis of the academic merit.</p> <p>Disadvantaged students are defined as students with disabilities as well as those from low socio economic background (those with average monthly income per family member bellow 65% of budget baseline defined for each fiscal year in Act on</p>

	<p>Execution of State Budget which for 2014 amounts to 3.326 HRK). Strategy for Education, Science and Technology envisages measures which include analysis of the needs of underrepresented groups of students and elaboration of the actions addressing those needs. This might result in further diversification of disadvantaged groups targeted by the actions under this SO. Furthermore, up to 25% of funds allocated to this SO will be spent on the reconstruction of the existing dormitories in order to maintain the current level of accommodation capacities. This is needed because, due to the unsatisfactory conditions resulting from the fact that most of the dormitories were built more than thirty years ago, there is a serious threat that in the near future these dormitories will not be able to accommodate students due to the inadequate premises.</p> <p>Therefore, the expected result to be achieved is reconstruction of student dormitories and building of new ones thus enlarging the capacities of student dormitories and consequently leading to the decrease of the cost of studying and increased access to higher education especially for disadvantaged students.</p>
<b>ID of the specific objective</b>	3
<b>Title of the specific objective</b>	Increasing relevance of vocational education by improving the conditions for the acquisition of practical skills in targeted sectors of vocational education in order to achieve better employability of VET students
<b>Results that the Member States seek to achieve with Union support</b>	<p>Targeted infrastructural investment will focus on establishing regional Centres of competences in specific vocational sectors. Centres of competences will be a part of the regionally distributed network of sufficiently equipped vocational schools in targeted sectors accompanied by a high level of expertise among vocational teachers/mentors aimed to facilitate further development and harmonization of the education system to the labour market needs at regional level. Specifically, the Centres shall provide possibilities for education and acquisition of skills/competences through the partnership between educational, economic and civil sectors primarily from regional level but also cooperating internationally with the similar centres in the European Union. The process of setting up the network of regionally distributed centres of competences will focus on sectors of agriculture, mechanical engineering, tourism –hospitality, electro technics and information technology and healthcare technology. The regional Centres of competences will be established in order to provide modern practical training for students as well as teachers (teacher training might include organization of practical trainings in controlled environment) through the collaboration with employers and social partners and by respecting the needs of regional labour market as well as insisting on the excellence of teachers / trainers / mentors. Modern practical training will enable students to participate directly in the labour market without further need for additional training and job induction. Teachers’ tasks will be, in addition to regular tasks within the formal vocational education, the organization of targeted/thematic in-service trainings for education professionals (vocational teachers and mentors), organization of flexible and continuous education of employees of</p>

small/medium enterprise's operating at local level (raising the level of professional competence of employees – acquiring of partial qualifications), raising the level of knowledge and competence of unemployed by providing short training programs (targeted programs within the adult education). The added value of these centres will be their ability to implement specific tailor made programs for disabled people / students with disabilities (acquisition of practical skills in adequate conditions to suit their functional abilities). Fully established Centres of competences will be, in addition to their primary tasks, places for organizing student competition events (fair skills competition). Various educational materials developed within the Centers (e.g. guidance for organizing and monitoring practical work of students) will be disseminated to other VET schools as well.

Therefore, the expected result to be achieved is upgraded skills of VET students graduating from the Centres of competences established in selected sectors, which will lead to their higher employment in the labour market. More specifically, it is expected that around 35% of students who finished education in Centres of competences will be employed within six months.

**Table 3: Programme-specific result indicators, by specific objective (for the ERDF and the Cohesion Fund)**

Specific objective		1 - To develop digitally mature schools ready to use the potential of ICT in education and development of 21st century skills needed on the job market						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
10a11	Proportion of primary and secondary schools at e-Enabled level of digital maturity	%	Less developed	10.00	2014	50.00	DMS -Digital maturity System, CARNet	annually
Specific objective		2 - Modernization, improvement and expansion of accommodation infrastructure in higher education to improve access and completion for disadvantaged students						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
10a21	Number of students from disadvantaged groups with improved access to dormitories	number	Less developed	6,930.00	2014	9,200.00	Ministry of Science, Education and Sport	annually
Specific objective		3 - Increasing relevance of vocational education by improving the conditions for the acquisition of practical skills in targeted sectors of vocational education in order to achieve better employability of VET students						
ID	Indicator	Measurement unit	Category of region (where relevant)	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
10a31	Employment rate of recent graduates (ISCED 3-4)	%	Less developed	50.08	2013	55.00	Eurostat	annually

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<b><u>Examples of actions to be financed:</u></b>	
<b><u>SO 10a1</u></b>	
<ul style="list-style-type: none"><li>• Large-scale procurement of ICT equipment for primary and secondary schools (procurement of ICT equipment for teaching and learning, namely for teachers and for classrooms);</li><li>• Equipping primary and secondary schools with appropriate LANs (Constructing local Internet networks in schools (targeted school locations)–</li><li>• Deployed data centres ready to absorb the increased demand for e-service and e-content in the school cloud</li><li>• E-SERVICES: Integration of existing services and the development of future services will enable establishment of the School Cloud which will allow for full informatisation of school administration and teaching processes. Consequently, this will ensure more rational running of the school as well as full transparency, with full insight in the school finances by both founders (municipalities and counties) as well as MSES. Second part of the system includes the development of e-services for teaching and learning that will enable harvesting of metadata from existing repositories, forming of a central National repository with all digital education resources for primary and secondary schools in Croatia. Data will also be collected within a national education database and processed to allow for continuous measurement of pupils' achievements by teachers and for a full insight to data for education authorities and schools themselves. Ownership of personal data will be shared among main stakeholders, in accordance with Croatian laws and regulations.</li><li>• Evaluation of the e-Schools pilot project related to infrastructure and e-administration</li></ul>	
These activities will be piloted in 10% of all Croatian primary and secondary schools in order to test and determine the best ways of achieving planned	

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>outcomes. Accordingly, future activities will be influenced based on the results of the pilot activities, enabling adjustments in activities and approaches in the roll out of the major project. Pilot project will also serve as an invaluable experience and capacity building practice preceding the implementation of the major project. Within the pilot project Digital Maturity System will be developed and tested, and will enable assessment of digital maturity of each Croatian school resulting in the exact % of schools per each level.</p> <p>To ensure complementarity with the above mentioned ERDF type of activities particular support to general education system will be provided through ESF, namely OP EHR, IP 10iv2 (i.e. development of digital educational materials, tools and methods of changing pedagogical practice to more student-centred, as well as organizational models supporting their use on a national level in both primary and secondary schools integrated with the national curricula; development of digital competences of school teachers, headmasters and expert staff, specifically in the context of using ICT for teaching and learning and systemic support to schools and individual teachers and school leaders in introducing ICT in teaching and learning).</p> <p>Activities regarding digitalisation of school administration are closely linked to ICT solutions developed to support common business processes in public administration envisaged within TO 11 under OP EHR and have a potential to achieve better delivery of quality public services thus contributing to national, regional and local development.</p> <p>Beneficiaries: CARNet (Croatian Academic and Research Network), which is a public institution under the authority of the Ministry of Science, Education and Sports, responsible for the informatisation of the primary and secondary schools within the Croatian education system, as well as providing ICT infrastructure, connectivity and services to primary, secondary and higher educational institutions.</p> <p>Target groups: teachers, headmasters, expert and administrative staff, pupils/students</p> <p><b><u>SO 10a2</u></b></p> <p>Reconstruction of student dormitories and construction of new ones according to the corresponding feasibility studies aiming at providing accommodation for disadvantaged students. Only a limited number (up to 25% of the allocation to this SO) of existing dormitories will be reconstructed. All common spaces are considered a part of a dormitory.</p> <p>Target groups: students</p>	

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p data-bbox="136 255 2132 295"><b>Beneficiaries:</b> Higher education institutions</p> <p data-bbox="136 295 2132 438">In combination with ERDF, the actions that are envisaged under the ESF (OP EHR, IP 10ii) are focused on providing support for state scholarships and measures proposed and implemented by the HEI's that would include introduction of remedial courses and offering good quality academic and career guidance, the specific objective of increasing access and completion of higher education will be achieved.</p> <p data-bbox="136 534 2132 574"><b><u>SO 10a3</u></b></p> <ul data-bbox="201 606 2132 909" style="list-style-type: none"> <li>• Reconstruction, renovation and adaptation of VET institutions in targeted sectors for provision of modern and high quality education and training and procurement of specialised equipment for those institutions (workshops, laboratories, modern technologies, sector relevant developments such as tools, machinery etc.; ITC, specialised didactical and pedagogical equipment, transformation and refurbishment of the premises, joint facilities shared by VET schools and companies/local communities - centres of competences)</li> <li>• Equipping VET institutions for school based practical classes to improve educational standards for students as well as their future prospects at competitive labour market</li> <li>• Renovation and adaptation of VET providers to increase accessibility with a purpose of higher social inclusion (students with disabilities)</li> <li>• Equipping VET providers for the development of innovations, promotion of knowledge and LLL</li> </ul> <p data-bbox="136 933 2132 1085">These ERDF supported actions are complementary to the investments regarding VET curricular reform planned to be implemented under OP EHR, IP 10iv. The goals of both investments are aimed at allowing flexibility towards labour market needs. Regarding the sequencing of the actions, the implementation of the actions regarding the development of new sectoral VET curricula and capacity building of teachers for the implementation of these new curricula, which are envisaged under the ESF, will be followed by the implementation of the investment under this SO.</p> <p data-bbox="136 1109 2132 1189"><b>Beneficiaries:</b> focus will be on vocational education and training schools, with polytechnic and school of professional higher education as institutions that organise and implement professional studies as potential project partners.</p> <p data-bbox="136 1212 2132 1300"><b>Target groups:</b> school staff and managerial staff in vocational education institutions; teachers and trainers, students, employees in SMEs, craftsmen, employees in crafts, unemployed, vulnerable groups where possible.</p>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>Selection criteria and related methodology will be approved by the Monitoring Committee (CPR, Art 110(2)(a)) and applicable to all operations of the OP, whereby they generally include:</p> <ul style="list-style-type: none"><li>• clear and quantifiable contribution to the relevant output and result indicator targets</li><li>• maturity of the project design</li><li>• cost-effectiveness</li><li>• sustainability (esp. financial)</li><li>• implementation capacity</li><li>• alignment with the principles of transparency and non-discrimination, equal opportunities, social inclusion and sustainable development</li><li>• if applicable, contribution to addressing specific territorial priority, complementarity/synergy with other ESIF operations, contribution to the implementation of the macro-regional strategies.</li></ul> <p>In terms of eligibility, operations will be checked against criteria deriving from all general and fund specific eligibility requirements, all applicable EU and national legal acts, including state aid rules.</p> <p><b><u>SO 10a1:</u></b></p> <p>All operations financed under this specific objective has to:</p> <ul style="list-style-type: none"><li>• comply with approved intervention plans,</li></ul>	

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<ul style="list-style-type: none"> <li>• demonstrate clear focus on: <ul style="list-style-type: none"> <li>o innovative pedagogies supported by ICT in the areas of teaching practices, learning practices and content &amp; curricula,</li> <li>o optimization of school administration processes through ICT, innovating and fostering change in the intervention areas of organization, leadership &amp; values and connectedness</li> <li>o education and support to teachers as change agents and facilitators of innovation in teaching/learning processes supported by ICT</li> </ul> </li> <li>• result in higher level of quality of education system on the ground, namely in: <ul style="list-style-type: none"> <li>o changed teaching and learning practices supported by the use of ICT</li> <li>o transparent and effective school administration supported by ICT</li> </ul> </li> <li>• secure clear link and continuous impact of activities between pilot e-Schools project and major e-Schools project,</li> <li>• demonstrate clear link with operations co-financed under ESF envisaged under the specific objective 10iii2 of the Operational Programme Effective Human Resources.</li> </ul>	
<p><b><u>SO 10a2:</u></b></p>	
<p>Operations financed under this specific objectives from ERDF will selected on the basis of the following criteria:</p>	
<p>- support access to higher education of disadvantaged students;</p>	
<p>- take into account number of non-resident students of a university with emphasis on the percentage of non-resident students in dormitories in relation to the total number of them;</p>	
<p>-this number will be aligned with the number of students who apply for dormitories and have average income per family member below 65% of budget</p>	

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>baseline defined for each fiscal year in Act on Execution of State Budget (for 2014 it is 3.326 HRK);</p> <p>-proven need for reconstruction in line with the Law on Construction (OG 153/2013) defining reconstruction as construction or other works on the existing building which have effect on the fulfilment of the main principles for that building.</p> <p><b><u>SO 10a3:</u></b></p> <p>Ministry of Science, Education and Sports is the body responsible for the overall educational policy and as such has the leading role in the selection of schools that will be transformed into Centres of competence, in coordination with other relevant ministries if needed, as well as selection and funding decisions.</p> <p>Priority projects will be selected on the basis of the following criteria:</p> <ul style="list-style-type: none"> <li>• be in line with regional economic needs;</li> <li>• demonstrate a clear link with operations co-financed under ESF envisaged under the specific objective 10iv1 of the OP Efficient Human Resources;</li> <li>• number of primary school students and number of students in other vocational schools operating regionally in the same VET sector gravitating to a particular centre;</li> <li>• availability for organizing training of students and teachers from other VET schools and other legal and natural persons (education and training for unemployed people / employees of enterprises);</li> <li>• project proposal includes partnership with higher education institution which conducts professional study programme/s aligned with those offered by a particular Centre as well as partnership with a company that operates in the same sector as a particular Centre;</li> <li>• project proposal envisages development of targeted support services to students with disabilities.</li> </ul>	

### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
Not envisaged.	

### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
<p>Major project “E-SCHOOLS” is planned in synergy with ESF investments under T010.</p> <p>The project envisages complete informatisation of administration, teaching and learning within schools in order to ensure that a vast majority of Croatian public funded schools become digitally mature (e-mature) by 2023, in accordance with Digital Agenda for Europe, and Republic of Croatia’s Strategy on Education as well as in line with the national Strategy for Broadband Development in the Republic of Croatia 2012-2015. Digitally competent teachers and pupils use ICT in education on a daily basis, including, but not restricted to, administrative e-services and e-services for teaching and learning, thus ensuring that pupils of today become competitive workers on the job markets of tomorrow. E-Schools project two phases:</p> <ol style="list-style-type: none"><li>1. Pilot project, lasting throughout 2015-2017</li><li>2. Major project, 2019-2023</li></ol> <p>Pilot project will involve all of the segments of the major e-Schools project, which will be implemented in 10% of Croatian primary and secondary schools. This approach will allow MoSES to pilot the project in order to ensure that best practices observed within pilot project are implemented in the major project and on a system level. Pilot project will involve evaluation of internal and external experts which will point out the weaknesses and strengths of the project in order to ensure that the major project addresses relevant issues in a most feasible way within the process of informatization of Croatian schools.</p> <p>Planned interventions within ERDF will include equipping primary and secondary schools with appropriate LANs (Constructing local Internet networks in schools (targeted school locations) and connecting schools to ultra-fast Internet) and procurement of equipment for teachers and learners as well as other</p>	

<b>Investment priority</b>	10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure
ICT related equipment.	
Investment in “E-schools” is also planned through the ESF (OP EHR, IP 10iii2) by development of digital educational materials, tools and methods as well as organizational models supporting their use on a national level in both primary and secondary schools, integrated with the national curricula; development of digital competences of school teachers, headmasters and expert staff, specifically in the context of using ICT for teaching and learning and systemic support to schools and individual teachers and school leaders in introducing ICT in teaching and learning.	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO35	Childcare and education: Capacity of supported childcare or education infrastructure	Persons	ERDF	Less developed			61,000.00	DMS -Digital maturity System, CARNet; Project implementation reports	annually
10a11	Schools with digital maturity improved by one level	%	ERDF	Less developed			60.00	DMS -Digital maturity System, CARNet	annually

Investment priority		10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
10a12	Number of primary and secondary schools equipped with ICT equipment	number	ERDF	Less developed			840.00	DMS -Digital maturity System, CARNet	annually
10a13	Number of teachers using (procured) ICT equipment in teaching	number	ERDF	Less developed			15,000.00	DMS -Digital maturity System, CARNet	annually
10a14	Number of pupils/students using (procured) ICT equipment	number	ERDF	Less developed			52,000.00	DMS -Digital maturity System, CARNet, project reports	annually
10a21	Number of VET institutions equipped with specialized equipment and modern technologies	number	ERDF	Less developed			20.00	Project implementation reports	annually
10a22	Number of VET students supported by education activities provided in Centres of competences	number	ERDF	Less developed			1,000.00	Project implementation reports	annually

Investment priority		10a - Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
10a23	Number of teachers and other participants supported by education activities provided in Centres of competences	number	ERDF	Less developed			1,500.00	Project implementation reports	annually
10a31	Number of beds in constructed dormitories	number	ERDF	Less developed			3,000.00	Project implementation reports	annually
10a32	Number of beds in reconstructed dormitories	number	ERDF	Less developed			5,000.00	Project implementation reports	annually

### 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	9 - Education, Skills and Lifelong Learning

### 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis	9 - Education, Skills and Lifelong Learning
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ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO35	O	Childcare and education: Capacity of supported childcare or education infrastructure	Persons	ERDF	Less developed			15,000			61,000.00	DMS -Digital maturity System, CARNet, Project implementation reports	Common output indicator is selected since it covers almost 100% of resources under Priority axis 9.
PF9.1	F	Total amount of certified eligible expenditure	EUR	ERDF	Less developed			74,210,893			318,723,289.00	Ministry of Finance	

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

## Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		9 - Education, Skills and Lifelong Learning		
Fund	Category of region	Code		€ amount
ERDF	Less developed	048. ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; also where embedded in other infrastructure such as research facilities, environmental and social infrastructure)		102,914,791.00
ERDF	Less developed	049. Education infrastructure for tertiary education		105,000,000.00
ERDF	Less developed	050. Education infrastructure for vocational education and training and adult learning		63,000,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		9 - Education, Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ERDF	Less developed	01. Non-repayable grant	270,914,791.00

**Table 9: Dimension 3 - Territory type**

Priority axis		9 - Education, Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	270,914,791.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		9 - Education, Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount
ERDF	Less developed	07. Not applicable	270,914,791.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		9 - Education, Skills and Lifelong Learning	
Fund	Category of region	Code	€ amount

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries** (where appropriate) (by priority axis)

Priority axis:	9 - Education, Skills and Lifelong Learning
<p>Under the specific objective 10a1, 10a2 and 10a3, it is crucial to provide support for enhancing the capacity of potential beneficiaries in preparing high quality projects which were pre-selected on the basis of pre-selection criteria to be able to receive the support from ERDF for investments in educational equipment and infrastructure. Envisaged beneficiaries do not have the needed capacity and skills to prepare high quality infrastructure project documentation with all the accompanying technical documentation by themselves in order to apply and receive the funding for infrastructural investments. With this action timely and efficient management of infrastructural projects in period 2014-2020 will be ensured</p>	

## 2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

### 2.B.1 Priority axis

ID of the priority axis	10
Title of the priority axis	Technical Assistance

### 2.B.2 Justification for establishing a priority axis covering more than one category of region (where applicable)

### 2.B.3 Fund and category of region

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Less developed	Total

### 2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
TA1	Ensuring adequate and efficient human capacities for the implementation of the operational programme	<p>Ensuring efficient human resources for the implementation of programmes is a key prerequisite for their timely and regular implementation, resulting in high absorption rates of the use of funds. Therefore, under this objective, TA funds are to be used to achieve the following results:</p> <p><b>1. Adequate staffing and skilling in the bodies ensured</b></p> <p>This result is to be achieved through the recruitment of the necessary staff through systematic and preventive measuring of the workload of the respective bodies in both short and long term, adopting</p>

ID	Specific objective	Results that the Member States seek to achieve with Union support
		<p>recruitment plans and monitoring of implementation of the same, recruiting additional and adequately qualified staff for an optimal ESIF management efficiency.</p> <p>This result is also to be achieved through further development of training programmes and methodology and ensuring the adequate skilling of the staff based on the needs defined in their individual yearly training plans. Currently, individual training plans are agreed between the staff and their management, taking into account the specificities of particular working post and in line with the provisions of internal regulations and rulebooks on minimum qualifications and skills for the same. Individual yearly training plans will in future be developed based on the long term staff development plan which will be developed by the end of third quarter 2015 using the data from training needs assessments (performed regularly), detailed absorption plan (to be performed until the end of first quarter 2015) as well as strategic workload analysis (to be performed until the end of second quarter 2015). Monitoring of the implementation of long term staff development plan will be performed by dedicated units of the Coordination Body and Managing Authority while the plan will be updated as the need is identified. Ensuring adequate skilling will be achieved through a system of trainings consisting of mandatory and optional trainings on basic and advanced level, in some cases accompanied with the certification process. Additionally, on-the-job trainings/coaching, study visits and secondments are envisaged as complementary measures. The above measures relate to "basic" ESIF management skills covering all business processes (including the risk management, prevention of irregularities and fraud, information and communication, public procurement, state aid, environmental issues), new skills required under this programme (including the result-oriented management, management of ITI and financial instruments), as well as in any relevant specific (sectoral) skills.</p> <p><b>2. Turnover of the staff reduced</b></p> <p>This result is to be achieved mainly through maintaining at least current level of retention measures to the ESIF-management staff. This is to be achieved either through (existing) the top-up of salaries (maximum salary equals up to 130% of the standard amount), or through (to be potentially introduced) systematic performance management (efficiency appraisal and rewarding systems) in respective bodies.</p>

ID	Specific objective	Results that the Member States seek to achieve with Union support
		As the level of turnover of staff is closely linked to the level of overall satisfaction of staff, reducing workload on 'critical' working posts due to increasing the number of staff, improving working conditions as well as career development is considered as complementary measures.

## 2.B.5 Result indicators

**Table 12: Programme-specific result indicators** (by specific objective) (for ERDF/ESF/Cohesion Fund)

Priority axis		TA1 - Ensuring adequate and efficient human capacities for the implementation of the operational programme									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T		M	W	T		
TA1.1	Maximum level of turnover of staff	%			8.00	2014			4.00	Ministry of Regional Development and EU Funds (MRDEUF), Management Information System (MIS)	Annually

## 2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
TA2	Support to efficient implementation, monitoring and evaluation of the programmes	In addition to building the internal capacities of the respective bodies, additional support is to be ensured through the provision of ad hoc advisory and of other resources to back up the work of respective bodies. Therefore, under this objective, TA funds are to be used to achieve the following results:

ID	Specific objective	Results that the Member States seek to achieve with Union support
		<p><b>1. Optimal efficiency, reliability and regularity in the management of the Funds ensured</b></p> <p>Optimization means reduction of time, human and material resources invested in the application of business processes while maintaining at least the same level of quality, and reducing the administrative burden of the project beneficiaries. This result is to be achieved through systematic monitoring of performance of respective bodies (where considered necessary, also taking into account independent assessments/studies performed by specialised bodies/providers) and introducing changes addressing the bottlenecks of the procedures, especially those where frequency of repetition is higher and where quicker response time to applicants/beneficiaries is possible.</p> <p>The set-up of adequate IT tools to support business processes within and between respective bodies will enable two way electronic communication with the beneficiaries (e-cohesion) and create links for cross-checks between the respective bodies and other institutions, thus reducing administrative burden for the respective bodies (and applicants/beneficiaries) and contributing to existence and reliability of audit trails.</p> <p>The activities performed under this priority axis will contribute to the improvement of the transparency and effectiveness of public procurement on the central and local levels, as well as the implementation, monitoring and detection of irregularities, both being subject to the specific recommendation in the frame of the 2014 European Semester.</p> <p><b>2. Efficient and results-oriented management and monitoring of the Funds is in place</b></p> <p>This result is to be achieved through the provision of expertise that is not required permanently and/or expertise in the areas where no experience exists at the level of respective bodies so the same is outsourced. This is a complementary activity to building the competences of the staff of the respective bodies, which is used in those cases, where building the capacities within respective bodies would otherwise not be possible or would not be feasible.</p> <p>This also includes provision of necessary and adequate support to the work of the monitoring committee,</p>

ID	Specific objective	Results that the Member States seek to achieve with Union support
		OP related working groups, committees and networks on high or operational level (including those to ensure partnership) intended for the steering, monitoring and evaluating the implementation of programmes and dissemination of information between the stakeholders, including but not limited to good/bad practices in the 'horizontal issues' such as public procurement, state aid, anti-fraud measures, evaluation and information and visibility.

## 2.B.5 Result indicators

**Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)**

Priority axis		TA2 - Support to efficient implementation, monitoring and evaluation of the programmes									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T						
TA2.1	Average time required to pay the beneficiary from the date of submission of the application for reimbursement	Number of days			45.00	2014			30.00	MRDEUF, MIS	Annually
TA2.2	Average time for a project approval (between submission of a project's application and signature of a funding agreement)	Number of days			120.00	2014			100.00	MRDEUF, MIS	Annually

## 2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support

ID	Specific objective	Results that the Member States seek to achieve with Union support
TA3	Support to information, publicity and building the capacities of (potential) beneficiaries for project preparation and implementation	<p>Information, communication and visibility are one of the prerequisites for the successful absorption and efficient use of funds as the latter depends to large extent on the general understanding and ownership of the programme by the broader public and the targeted stakeholders. Further to this, targeted and specialised support will be provided to the (potential) beneficiaries to build-up their general and minimal capacities in the preparation and implementation of projects.</p> <p>This support will be provided by the management and control bodies, as well as relays at local level ("first stop shop") such as regional/local promoters (regional development agencies, county offices of national chambers such as Croatian chamber of commerce, Croatian chamber of crafts and similar types of institutions).</p> <p>Therefore, under this objective, TA funds are to be used to achieve the following results:</p> <p><b>1. General public effectively informed on the ESIF opportunities and implementation</b></p> <p>This result is to be achieved through systematic use of media as well as provision of information and media campaigns, information and visibility events and workshops performed at the central, regional and local level related to funding opportunities and the progress in the implementation of the programmes.</p> <p><b>2. General capacities of (potential) beneficiaries strengthened</b></p> <p>Whereas the result one is related to general understanding of the funding opportunities and results under the programmes by the wider public, this result is related to building the capacities of interested potential beneficiaries at least to the point that they are able to develop their project idea to apply for further funding for project preparation and/or implementation of project (including related project management measures for further building of capacities), having in mind the EU and OP requirements.</p> <p>This result is to be achieved through systematic provision of various kinds of support such as but not limited to workshops, advisory services, coaching services, on line education and similar type of</p>

ID	Specific objective	Results that the Member States seek to achieve with Union support
		measures on particular aspects of ESIF management and/or to particular sectors eligible for ESIF as well as through provision of first level advisory services to potential beneficiaries related to preparation and implementation of projects. Both are to be provided at the central, regional and local level.

## 2.B.5 Result indicators

**Table 12: Programme-specific result indicators** (by specific objective) (for ERDF/ESF/Cohesion Fund)

Priority axis		TA3 - Support to information, publicity and building the capacities of (potential) beneficiaries for project preparation and implementation									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T						
TA3.1	Share of public informed on EU funding opportunities in Croatia	%			14.00	2013			60.00	MRDEUF, MIS	Annually

## 2.B.6 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

### 2.B.6.1 A description of actions to be supported and their expected contribution to the specific objectives

Priority axis	10 - Technical Assistance
<p>Examples of actions to be supported under TA priority axis (non-exhaustive list):</p> <p><b><u>SO TA1</u></b></p>	

Priority axis	10 - Technical Assistance
<ul style="list-style-type: none"> <li>• Co-financing of the salaries (including top-up) of the ESIF experts;</li> <li>• Activities related to human resources management (analysis, studies, strategies, action plans...) related to increasing of capacities of the respective bodies;</li> <li>• Provision of trainings of any type, including through study visits and secondments;</li> <li>• Necessary logistics support, including the provision of adequate office space and equipment (furniture, ICT hardware and software, vehicles) as well as adequate facilities for the trainings.</li> </ul> <p>Beneficiaries: The ESIF Coordinating Body and Independent Audit Body, the bodies of the management and control system of the OP (Managing Authority and where applicable, intermediate bodies, Certifying Authority, Audit Authority), as well as other institutions, for the actions which are directly linked to the adequate and efficient management of this OP and the Partnership Agreement (including and not limited to the areas of public procurement, state aid, prevention of irregularities, information and communication, environmental compliance, spatial planning, land registries, constructions permits, statistics and fulfilment of ex-ante conditionalities).</p> <p><b><u>SO TA2</u></b></p> <ul style="list-style-type: none"> <li>• Outsourcing of expertise to support the programme implementation and business processes, including but not limited to the fulfilment of ex-ante conditionalities, the project pipeline activities (to the extent not covered under the respective priority-axes), the budget planning activities as well as activities related to closure of the 2007-2013 programmes and preparations for the period post 2020 (preparation of background studies, surveys, analysis, reports, analytical reviews, methodologies etc.);</li> <li>• Upgrade of the existing and development of new IT systems for the purposes of accumulation, summarising and presenting wider range of financial and statistical data related to the management of the two programmes as well as for the purposes of establishing electronic two-way communication with the beneficiaries (e-cohesion) and links for cross checks with other institutions;</li> <li>• Support to the work of the programme monitoring committee, various working groups, committees and networks through provision of any kind of logistical and expert support.</li> </ul> <p>Beneficiaries: The ESIF Coordinating Body and Independent Audit Body, the bodies of the management and control system of the OP (Managing Authority and where applicable, intermediate bodies, Certifying Authority, Audit Authority), as well as other institutions, for the actions which are directly linked to the adequate and efficient management of this OP and the Partnership Agreement (including and not limited to the areas of public procurement, state aid, prevention of irregularities, information and communication, environmental compliance, spatial planning, land registries, constructions permits,</p>	

Priority axis	10 - Technical Assistance
<p>statistics and fulfilment of ex-ante conditionalities).</p> <p><b><u>SO TA3</u></b></p> <ul style="list-style-type: none"> <li>• Preparation of paper, electronic, audio and video contents for campaigns, information and visibility events and workshops and support to implementation of such activities through provision of any kind of logistical and expert support and through buying of media space including logistical and expert support to other bodies working under the responsibility of the bodies of the management and control system;</li> <li>• Development of training programmes and methodology and provision of educational and advisory services to (potential) beneficiaries related to project preparation and project implementation,</li> </ul> <p>This activities supported under this priority-axis are complementary and will not overlap more targeted and specific TA support provided under the other priority-axis.</p> <p>Beneficiaries: The ESIF Coordinating Body, the bodies of the management and control system of the OP (Managing Authority and where applicable, intermediate bodies) and other regional/local promoters (regional development agencies, county offices of national chambers such as Croatian chamber of commerce, Croatian chamber of crafts and similar types of institutions), for the actions which are directly linked to the publicity of the this OP and the Partnership Agreement, and the support to (potential) projects beneficiaries under this OP and the Partnership Agreement.</p>	

2.B.6.2 Output indicators expected to contribute to results

**Table 13: Output indicators** (by priority axis) (for ERDF/ESF/Cohesion Fund)

Priority axis	10 - Technical Assistance			
ID	Indicator (name of indicator)	Measurement unit	Target value (2023) (optional)	Source of data

			<b>M</b>	<b>W</b>	<b>T</b>	
TA1.1	Number of staff whose salaries are co-financed by the TA	Number of persons	250.00	250.00	500.00	MRDEUF
TA1.2	Number of additionally employed staff in the bodies as from the adoption of the programme	Number of persons	150.00	150.00	300.00	MRDEUF
TA1.3	Percentage of staff trained in public procurement	%			60.00	MRDEUF
TA1.4	Percentage of staff trained in mandatory trainings as per training plans	%			90.00	MRDEUF
TA2.1	Maximum level of error rate of declared expenditure in a calendar year	%			2.00	MRDEUF
TA3.1	Number of participants in information, visibility and networking events	Number of persons	5,000.00	5,000.00	10,000.00	MRDEUF
TA3.2	Number of (potential) beneficiaries receiving advisory support	Number of entities			3,000.00	MRDEUF

## 2.B.7 Categories of intervention (by priority axis)

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support

### Tables 14-16: Categories of intervention

**Table 14: Dimension 1 - Intervention field**

Priority axis		10 - Technical Assistance		
Fund	Category of region	Code		€ Amount
ERDF	Less developed	121. Preparation, implementation, monitoring and inspection		194,512,612.00

Priority axis		10 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ERDF	Less developed	122. Evaluation and studies	20,000,000.00
ERDF	Less developed	123. Information and communication	21,600,000.00

**Table 15: Dimension 2 - Form of finance**

Priority axis		10 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ERDF	Less developed	01. Non-repayable grant	236,112,612.00

**Table 16: Dimension 3 – Territory type**

Priority axis		10 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ERDF	Less developed	07. Not applicable	236,112,612.00

### 3. FINANCING PLAN

#### 3.1 Financial appropriation from each fund and amounts for performance reserve

Table 17

Fund	Category of region	2014		2015		2016		2017		2018		2019		2020		Total	
		Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve
ERDF	Less developed	466,504,237.00	29,776,866.00	539,959,239.00	34,465,483.00	563,408,188.00	35,962,225.00	585,937,699.00	37,400,279.00	609,988,543.00	38,935,439.00	635,166,665.00	40,542,553.00	661,245,042.00	42,207,130.00	4,062,209,613.00	259,289,975.00
<b>Total ERDF</b>		<b>466,504,237.00</b>	<b>29,776,866.00</b>	<b>539,959,239.00</b>	<b>34,465,483.00</b>	<b>563,408,188.00</b>	<b>35,962,225.00</b>	<b>585,937,699.00</b>	<b>37,400,279.00</b>	<b>609,988,543.00</b>	<b>38,935,439.00</b>	<b>635,166,665.00</b>	<b>40,542,553.00</b>	<b>661,245,042.00</b>	<b>42,207,130.00</b>	<b>4,062,209,613.00</b>	<b>259,289,975.00</b>
CF		275,635,893.00	17,593,780.00	319,047,809.00	20,364,754.00	333,913,990.00	21,313,659.00	347,628,228.00	22,189,036.00	361,595,755.00	23,080,580.00	376,881,587.00	24,056,271.00	391,269,951.00	24,974,678.00	2,405,973,213.00	153,572,758.00
<b>Total</b>		<b>742,140,130.00</b>	<b>47,370,646.00</b>	<b>859,007,048.00</b>	<b>54,830,237.00</b>	<b>897,322,178.00</b>	<b>57,275,884.00</b>	<b>933,565,927.00</b>	<b>59,589,315.00</b>	<b>971,584,298.00</b>	<b>62,016,019.00</b>	<b>1,012,048,252.00</b>	<b>64,598,824.00</b>	<b>1,052,514,993.00</b>	<b>67,181,808.00</b>	<b>6,468,182,826.00</b>	<b>412,862,733.00</b>

### 3.2 Total financial appropriation by fund and national co-financing (€)

**Table 18a: Financing plan**

Priority axis	Fund	Category of region	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e) (2)	EIB contributions (g)	Main allocation		Performance reserve		Performance reserve amount as proportion of total Union support (l) = (j) / (a) * 100
						National public funding (c)	National private funding (d) (1)				Union support (h) = (a) - (j)	National Counterpart (i) = (b) - (k)	Union support (j)	National Counterpart (k) = (b) * (j) / (a)	
1	ERDF	Less developed	Total	664,792,165.00	117,316,275.00	17,316,275.00	100,000,000.00	782,108,440.00	84.9999988493%	10,000,000.00	623,353,884.00	110,003,637.00	41,438,281.00	7,312,638.00	6.23%
2	ERDF	Less developed	Total	307,952,676.00	54,344,595.00	10,000,000.00	44,344,595.00	362,297,271.00	84.9999987993%	150,000,000.00	287,924,765.00	50,810,257.00	20,027,911.00	3,534,338.00	6.50%
3	ERDF	Less developed	Total	970,000,000.00	171,176,480.00	11,176,480.00	160,000,000.00	1,141,176,480.00	84.9999992990%	0.00	910,079,249.00	160,602,229.00	59,920,751.00	10,574,251.00	6.18%
4	ERDF	Less developed	Total	531,810,805.00	93,848,976.00	93,848,976.00	0.00	625,659,781.00	84.9999985855%	20,000,000.00	498,361,406.00	87,946,140.00	33,449,399.00	5,902,836.00	6.29%
5	ERDF	Less developed	Total	245,396,147.00	43,305,205.00	43,305,205.00	0.00	288,701,352.00	84.9999992380%	10,000,000.00	229,131,628.00	40,434,996.00	16,264,519.00	2,870,209.00	6.63%
6	ERDF	Less developed	Total	338,020,392.00	59,650,660.00	59,650,660.00	0.00	397,671,052.00	84.9999994468%	40,000,000.00	316,198,418.00	55,799,723.00	21,821,974.00	3,850,937.00	6.46%
6	CF		Total	1,649,340,216.00	291,060,050.00	291,060,050.00	0.00	1,940,400,266.00	84.9999994795%		1,550,379,803.00	273,596,447.00	98,960,413.00	17,463,603.00	6.00%
7	ERDF	Less developed	Total	400,000,000.00	70,588,240.00	70,588,240.00	0.00	470,588,240.00	84.9999991500%	50,000,000.00	374,359,249.00	66,063,401.00	25,640,751.00	4,524,839.00	6.41%
7	CF		Total	910,205,755.00	160,624,552.00	160,624,552.00	0.00	1,070,830,307.00	84.9999994444%		855,593,410.00	150,987,079.00	54,612,345.00	9,637,473.00	6.00%
8	ERDF	Less developed	Total	356,500,000.00	62,911,768.00	62,911,768.00	0.00	419,411,768.00	84.9999993324%	10,000,000.00	333,569,249.00	58,865,165.00	22,930,751.00	4,046,603.00	6.43%
9	ERDF	Less developed	Total	270,914,791.00	47,808,498.00	47,808,498.00	0.00	318,723,289.00	84.9999985411%	10,000,000.00	253,119,153.00	44,668,091.00	17,795,638.00	3,140,407.00	6.57%
10	ERDF	Less developed	Total	236,112,612.00	41,666,936.00	41,666,936.00	0.00	277,779,548.00	84.9999986320%	0.00	236,112,612.00	41,666,936.00			
<b>Total</b>	<b>ERDF</b>	<b>Less developed</b>		<b>4,321,499,588.00</b>	<b>762,617,633.00</b>	<b>458,273,038.00</b>	<b>304,344,595.00</b>	<b>5,084,117,221.00</b>	<b>84.9999990195%</b>		<b>4,062,209,613.00</b>	<b>716,860,575.00</b>	<b>259,289,975.00</b>	<b>45,757,058.00</b>	<b>6.00%</b>
<b>Total</b>	<b>CF</b>			<b>2,559,545,971.00</b>	<b>451,684,602.00</b>	<b>451,684,602.00</b>	<b>0.00</b>	<b>3,011,230,573.00</b>	<b>84.9999994670%</b>		<b>2,405,973,213.00</b>	<b>424,583,526.00</b>	<b>153,572,758.00</b>	<b>27,101,076.00</b>	<b>6.00%</b>
<b>Grand total</b>				<b>6,881,045,559.00</b>	<b>1,214,302,235.00</b>	<b>909,957,640.00</b>	<b>304,344,595.00</b>	<b>8,095,347,794.00</b>	<b>84.9999991860%</b>		<b>6,468,182,826.00</b>	<b>1,141,444,101.00</b>	<b>412,862,733.00</b>	<b>72,858,134.00</b>	

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

**Table 18c: Breakdown of the financial plan by priority axis, fund, category of region and thematic objective**

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
1	ERDF	Less developed	Strengthening research, technological development and innovation	664,792,165.00	117,316,275.00	782,108,440.00
2	ERDF	Less developed	Enhancing access to, and use and quality of, information and communication technologies	307,952,676.00	54,344,595.00	362,297,271.00
3	ERDF	Less developed	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	970,000,000.00	171,176,480.00	1,141,176,480.00
4	ERDF	Less developed	Supporting the shift towards a low-carbon economy in all sectors	531,810,805.00	93,848,976.00	625,659,781.00
5	ERDF	Less developed	Promoting climate change adaptation, risk prevention and management	245,396,147.00	43,305,205.00	288,701,352.00
6	ERDF	Less developed	Preserving and protecting the environment and promoting resource efficiency	338,020,392.00	59,650,660.00	397,671,052.00
6	CF		Preserving and protecting the environment and promoting resource efficiency	1,649,340,216.00	291,060,050.00	1,940,400,266.00
7	ERDF	Less developed	Promoting sustainable transport and removing bottlenecks in key network infrastructures	400,000,000.00	70,588,240.00	470,588,240.00
7	CF		Promoting sustainable transport and removing bottlenecks in key network infrastructures	910,205,755.00	160,624,552.00	1,070,830,307.00
8	ERDF	Less developed	Promoting social inclusion, combating poverty and any discrimination	356,500,000.00	62,911,768.00	419,411,768.00
9	ERDF	Less developed	Investing in education, training and vocational training for skills and lifelong learning	270,914,791.00	47,808,498.00	318,723,289.00
<b>Total</b>				<b>6,644,932,947.00</b>	<b>1,172,635,299.00</b>	<b>7,817,568,246.00</b>

**Table 19: Indicative amount of support to be used for climate change objectives**

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the operational programme (%)
1	45,000,000.00	0.65%
3	31,200,000.00	0.45%
4	519,810,805.00	7.55%
5	227,396,147.00	3.30%
6	74,000,000.00	1.08%
7	333,082,302.00	4.84%
<b>Total</b>	<b>1,230,489,254.00</b>	<b>17.88%</b>

#### 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development taking into account the content and objectives of the operational programme having regard to the Partnership Agreement and showing how it the operational programme contributes to the accomplishment of the objectives of the operational programme and expected results

OPCC is considered as the most important programme which will enable achievement of objectives for integrated territorial development through ESI funds as defined in PA, i.e. ***promotion of a more balanced territorial development and use of comparative advantages of different territories.***

In order to promote more balanced territorial development as the first objective, horizontal approach on the whole territory will be used. For actions implemented in the areas with specific development needs such as the assisted areas (defined according to development index as less developed) and/or islands and/or other geographical areas defined as national or regional priorities during implementation of OPCC (e.g. for specific areas with significant demographic problems, but which are not defined as underdeveloped according to development index), system of advantages will be applied contributing to equal development opportunities. This includes providing additional support through horizontal measures in different priority axis as outlined in the section below such as: targeted calls for projects or allocation, additional scoring “points” and/or modulation of financial support during both selection and implementation of projects.

Aforementioned areas are lagging behind in one or more of the following fields - ***job creation and formation of new business*** (TO 3), ***development communal infrastructure*** (TO 6), ***IT connectivity and transport*** (TO 2 and 7) and ***infrastructure related to social and educational services*** (TO 9 and 10), so it is necessary to provide appropriate advantages at least for those fields. Therefore, horizontal approach will be relevant to achievement of the specific objectives of OPCC set at the level of aforementioned fields/TOs. In order to identify development potentials of certain areas and define objectives and measures for investments from ESI funds, including OPCC, territorial strategies (e.g. National Strategy for Regional Development, county development strategies, SUD strategies) will have an important role. In that way complementarity of EU, national and other funds will contribute to integrated territorial goals set at the level of each strategic document.

In order to achieve second objective for integrated territorial development related to the use of comparative advantages of different territories, additional approach will be used – Territorial concentration of funds. Territories that will be supported through this approach include: (i) urban areas where ITI mechanism will be applied (Chapter 4.2), (ii) deprived areas most affected by poverty (Chapter 5), and (iii) islands (Chapter 6). For example in urban areas where the ITI mechanism will be applied, complementary actions supported by the ESF, ERDF and CF will be defined in the SUD strategies. Actions envisaged by urban authorities will be focused to achieve full development potential of a city (e.g. in business development), energy savings (e.g. transport, cultural heritage, public heating systems and brownfields) and to address the challenges related to concentration of population (e.g. youth unemployment and community services). Strategies will also encompass actions outside of ITI scope in order to ensure integration of all actions financed in urban area from EU, national and local (private or public)

sources. Complementarity and synergy of proposed interventions in SUD Strategy will be one of the criteria for the selection of the cities for ITI mechanism implementation.

#### **4.1 Community-led local development (where appropriate)**

The approach to the use of community-led local development instruments and the principles for identifying the areas in where they will be implemented

Support within the framework of the OPCC is not planned.

#### **4.2 Integrated actions for sustainable urban development (where appropriate)**

Where appropriate the indicative amount of ERDF support for integrated actions for sustainable urban development to be implemented in accordance with the provisions under Article 7(2) of Regulation (EU) No 1301/2013 and the indicative allocation of ESF support for integrated action.

Respecting the Article 96(3) of the Regulation (EU) 1303/2013 and Article 7 of the Regulation (EC) 1301/2013, SUD concept in Croatia will be implemented exclusively through the ITI mechanism. Each of the ITIs will consist of a mix of the ERDF and CF set of actions from different PA of the OPCC, and additionally by actions co-financed by ESF under the OPEHR.

Research on urban development in Croatia[1] finds that an integrated approach to SUD will be beneficial in all towns with a population above 50,000 inhabitants including its surrounding area (in a later stage, depending on availability of funding). But at the initial stage (pilot phase) the possibility to apply for implementation of ITI mechanism, will be offered only to 7 largest urban centres with more than 50,000 inhabitants in central settlements - Zagreb, Osijek, Rijeka, Split, Zadar, Slavonski Brod and Pula. Only these largest urban centres will be offered to benefit from the SUD in line with the following facts - increasing competitiveness of Croatian economy depends on investments in areas which highly correspond to areas of largest urban centres with population above 50,000 inhabitants in central settlements, the largest cities are development engines for their surroundings and have highest administrative capacities to implement projects under ITI mechanism.

Final decision on ITIs to be implemented in Croatia will depend on the outcome of the competition between targeted 7 urban centres. Competitive procedure will enable selection of approximately 4 best prepared urban authorities to implement ITIs and will be based on a strategy outline, containing an indicative list of projects and other principles as defined in the PA (Chapter 3.1.2)

Formal arrangements for the ITI implementation and the coordination between the MAs (OPCC and OPEHR) will be defined in written agreements. After finalization of the selection process, the delegation of functions including at least selection of the operations will be detailed in written agreements between ITI Lead Ministry and approximately 4 selected ITI cities/Urban Authorities (UA). ITI Lead Ministry will be responsible for verifying the eligibility of operations/projects. For the selected ITIs the cities will become IBs with responsibilities proportionate to the level of delegation (at least the

project selection). Other specific management modalities are set in the PA (Chapter 3.1.2).

Under ITIs integrated actions contributing to thematic areas defined in the PA will be implemented[2]:

- Progressive cities (ERDF, SO 3a2 and ESF, SO 10iii3, 10iv1),
- Clean cities (ERDF, SO 4c3, 6c1, 6e2 and CF, SO 7ii2),
- Inclusive cities (ESF, SO 8ii1, 9i1, 9iv2).

The thematic scope and set of actions for each of the ITI will vary depending on the objectives formulated in the SUD strategies. Additional actions (outside the scope of the ITIs) will also be implemented under multi-sectorial partnership and complement the operation under the ITIs in order to achieve fully integrated approach.

In order to facilitate the implementation of ITI, funds from TA will be used and selected UA will be included in Urban development network (Article 9 ERDF Regulation).

[1] Prepared within contract IPA2007/HR/16IPO/001-050401 implemented in period September 2013 - July 2014

[2] In accordance with analysis of development problems and opportunities in large urban centres in Croatia prepared within contract IPA2007/HR/16IPO/001-050401 implemented in period September 2013 – July 2014

**Table 20: Integrated actions for sustainable urban development – indicative amounts of ERDF and ESF support**

Fund	ERDF and ESF support (indicative) (€)	Proportion of fund's total allocation to programme
Total ERDF	253,351,269.00	5.86%
<b>TOTAL ERDF+ESF</b>	<b>253,351,269.00</b>	<b>3.68%</b>

#### 4.3 Integrated Territorial Investment (ITI) (where appropriate)

The approach to the use of Integrated Territorial Investments (ITIs) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis.

Support within the framework of the OPCC is not planned.

**Table 21: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)**

Priority axis	Fund	Indicative financial allocation (Union support) (€)
Total		<b>0.00</b>

#### 4.4 The arrangements for interregional and transnational actions, within the operational programme, with beneficiaries located in at least one other Member State (where appropriate)

As presented in Section 1, the OP investment priorities under the OP CC can potentially contribute to the implementation of the **macro-regional strategies**. Therefore, specific support will be provided for the selected projects (beneficiaries) to develop or strengthen cooperation with other European partners and projects in the EUSDR and EUSAIR cooperation areas. The projects with potential for transnational actions could be awarded with additional funding (subject to the consultation of the NCC, approval of respective MA, MC and acceptance of the projects partners) to support the cooperation activities (meetings/events related costs, the travel and accommodation).

Furthermore, projects implemented under other ETC programmes, which would include a Croatian partner and have a replication effect, could be implemented through the OP CC programme. In that respect, the National Authority for ETC (MRDEUF, DRD) will closely cooperate with the OPCC MA through regular staff meetings in order to coordinate the projects (beneficiaries) under these programmes.

**4.5 Contribution of the planned actions under the programme to macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the Member State (where appropriate)**

(Where the Member State and regions participate in macro-regional strategies and sea basin strategies).

The Republic of Croatia is an integral part of two macro-regional strategies: the EU Strategy for the Danube Region (EUSDR) and the EU Strategy for the Adriatic and Ionian Region (EUSAIR). Both strategies are rooted in all programming documents.

In the course of the programming exercise, both strategies have been taken into account, and respective action plans carefully examined and specific objectives of OPCC were drafted in a way to reflect national priorities within each strategy. It is expected that by supporting projects within identified specific objectives, a significant contribution to the implementation of macro-regional strategies shall be achieved. At the moment there are no specific selection criteria envisaged for projects falling under these specific objectives, but their alignment and contribution to macro-regional strategies shall be assessed in the later stage by the National Coordination Committee (NCC).

NCC shall be established for the purposes of coordination of all available instruments and funds in the Republic of Croatia as well as MRS's, and it shall have an essential role in the further implementation of EUSAIR and EUSDR. National Contact Points, coordinators, focal points and other relevant institutional stakeholders of both macro-regional strategies will be members of NCC

Detailed analyses of planned actions of OPCC that will contribute to EUSDR and EUSAIR are presented in tables attached (45 EUS Adriatic and Ionian Region Corelation Table for SFC and 45 EUS Danube Region Corelation Table for SFC, attached as Programme Annexes).

## **5. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION (WHERE APPROPRIATE)**

### **5.1 Geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion**

**Poverty and social exclusion in Croatia has a territorial dimension** and is related to differentiated development factors such as level of household and personal income, education attainment, level of unemployment, housing quality and circumstances, access to services, quality of social welfare institutions, and opportunity to gain access to living conditions according to basic standards of society, as well as to the concentration of a few vulnerable groups at risk of social exclusion such as Roma, refugees, displaced and returnees as well as Homeland veterans and members of their families.

The highest geographical concentration of factors influencing the share of people at risk of poverty and social exclusion can be found predominantly in the east and the south-east part of Croatia, alongside the border with Serbia and Bosnia and Herzegovina. Those areas were mostly affected by the aggression against Croatia and the Homeland war from 1991 to 1995 and are characterised by the high concentration of vulnerable groups at risk of social exclusion. They are featured by a number of small and medium-sized degraded towns (over 10.000 to 50.000 inhabitants) in predominantly rural surroundings and high share of people at risk of poverty and social exclusion which reflects their low economic base and in some cases employment losses due to transition and war consequences. High unemployment rate (more than 20%) is combined with high depopulation, low quality and narrow access to social services and basic infrastructure, as well as with other development challenges. The share of people at risk of poverty is in general lower in big urban agglomerations in Croatia, except in some sub-local deprived neighbourhoods within these areas.

Although poverty maps providing specific spatial distribution of poverty at present are not available for the territory of Croatia, currently available statistical data, analysis of regional development index and public evidence-bases provide clear indication of areas with geographical concentration of poverty and social exclusion.

Since poverty mapping will be developed under priority axis *Social inclusion and health* (selected IP 9b) during the implementation of OPCC, initial support to the areas most affected by poverty will be realised through several pilot projects. Based on currently available data, Pilot areas will be preselected among small towns with over 10.000 to 35.000 inhabitants in the previously war-affected areas, based on the lowest score of the index of multiple deprivation calculated from the existing socio-economic data on population and depopulation, unemployment, level of education, level of economic activity, level of social and communal services and deteriorated environment with one town that meets criteria of significant Roma minority. The value of selected socio-economic indicators for which data are available at the municipal level will be aggregated for each town and displayed as the multiple deprivation index. The Pilot areas of the preselected small town may include, where appropriate, the neighboring local units, sharing the same needs and having the joint projects with the preselected small town.

The preselected small towns in Pilot areas are corresponding to LAU level 2 local units in line with the Eurostat system of Local Administrative Units (LAUs) compatible with NUTS.

When poverty mapping is done it will be in correspondence to the NUTS and LAU classification. The plotting of small area poverty data on maps (poverty mapping) to precisely define geographical areas the most affected by poverty and degradation, will be done on the level of the regional and local territorial and administrative units classified as the NUTS 3 (Croatian counties) and LAU level 2 (Croatian towns and municipalities).

Based on the poverty mapping outcomes, roll out phase for physical, social and economic regeneration projects is planned. *The roll out areas* will be selected among small and medium sized towns over 10,000 to 50,000 inhabitants at highest risk of deprivation based on the poverty mapping and the index of multiple deprivation. At least 5 new towns will be selected for roll out based on the index of multiple deprivations and poverty mapping and will be supported by specific area-based regeneration interventions using integrated approach.

## **5.2 Strategy to address the specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion, and where relevant, the contribution to the integrated approach set out in the Partnership Agreement**

Investments in deprived areas over the past 20 years, were dealing mainly with war consequences, poverty issues and development challenges and were mainly reactive based on "emergency planning" rather than an integrated approach towards regeneration. Consequently, investment impact was limited and has been largely palliative. The negative trends have not been changed - high depopulation rate and unemployment, low level of investments and economic activity, expensive public services as well as their low quality and narrow access in some areas altogether continue to result in high level of poverty and social exclusion.

The new approach Croatia intends to introduce will be less reactive and will contribute to better integration of different components (jobs, infrastructure, environment, services and social support structures, as well as social inclusion and integration) resulting in increasing development potential of identified areas. The area-based approach to integrated physical, social and economic regeneration of the 5 deprived pilot areas affected by poverty and social exclusion is aiming at reducing social inequalities, exclusion and poverty, decreasing demographic losses, improving infrastructure, reinforcing growth potential and increasing attractiveness for living and potential investments, as well as reinforcing social inclusion and active participation of people living in those areas in the economic and community life.

The above mentioned integrated area-based approach will be delivered through three mechanisms:

- Implementation of five Pilot Projects in preselected areas of small towns;
- Complementary activities at the central level: the generation of enhanced small-area data and associated poverty mapping and the establishment of appropriate management and control systems altogether creating a body of knowledge on a sustainable regeneration model; and

- Institutional capacity development of key stakeholders and staff.

As initial step, a methodical approach to integrated regeneration in five selected areas will be developed through a series of jointly financed, customised and integrated ESF and ERDF-supported interventions. The integrated regeneration programme will be implemented in three phase in 7-year programme period.

**First phase** will focus on setting up poverty mapping, addressing existing policy and data gaps in relation to integrated regeneration investments, providing support to local stakeholders in preparation of detailed Pilot Projects Intervention Plans in 5 Pilot Areas, their development and evaluation, establishing system of management and control mechanism for integrated regeneration investments.

As the poverty mapping and data collection will take time, the pilot areas will be preselected on the basis of the multiple deprivation index by using existing socio-economic data on the level of towns (such as: unemployment rate, economic activity rate, proportion of population on social welfare, population loss between censuses, aging coefficient, population density, proportion of population with high school qualifications as well as with tertiary education, town development potential based on average population income and average local budget income per capita) and on the basis of the size and location of towns connected to the level of physical degradation associated with war consequences - small towns with over 10.000 to 35.000 of inhabitants in previously war affected areas, in order to concentrate funding. Among aforementioned small towns 5 Pilot towns with the lowest score of the index of multiple deprivation will be preselected, including one that meets criteria of significant Roma minority, will be selected for investments.

**Second phase** will focus on the implementation of the Pilot Projects based on the Intervention Plans. At the end of implementation of the Pilot projects, an ex-post evaluation will be undertaken by a qualified external and independent expert/s. This report will recommend a clear way forward. ERDF funds will create the community and economic infrastructure to be funded under the specific objective 9b1 Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty of the Operational Programme Competitiveness and Cohesion. The ERDF activities will be implemented in an integrated manner with the ESF activities to co-finance provision of social, educational, economic and employment-related services necessary for the effective realisation of the intervention plans' objectives. ESF activities will be funded under specific objective 9i2 Enhancing active inclusion through the implementation of integrated pathways to the regeneration of 5 deprived pilot areas of the OP Efficient Human Resources. The ERDF and ESF activities will be tailored for the each Pilot area in line with their specific needs during the preparation of an Intervention Plan for each of five Pilot Projects. The integration of activities will be done through the Intervention Plans for each of five Pilot Projects. The indicative actions that may be supported under IPs ERDF 9b and complementary ESF 9i are listed under Section 2 of the the OP Competitiveness and Cohesion (not exhaustive list of activities).

**Third phase** is based upon the outcome of the previous phase, especially the ex-post evaluation and the available resources, and is focusing on the roll out of the programme to other areas at the risk of poverty in Croatia. The small and medium sized towns for roll-out will be identified based on the poverty mapping and the index of multiple

deprivation. The Roll-out phase includes preparation of the Intervention Plans in line with the evaluation recommendations and eventually their actual implementation. Dependent to the available resources the actual implementation of the new intervention plans might take place in the new programming period. Some changes to the central and local management and control system will be made as well as on data quality and research evidence to underpin the planning.

Two major results are expected of using ERDF in complementary manner with the ESF:

- Design and testing of a new model of area-based approach to regeneration of deprived communities by tackling geographically concentrated socio-economic and physical deprivation problems, and
- Improvement of the socio-economic and living conditions in five selected pilot areas for inhabitants living in pilot areas that will decrease further population loss. Package of interventions will result in the regeneration of the degraded areas and contribute to the reduction of inequalities, social exclusion and poverty.

Detailed description of the main types of planned actions are defined under Section 2 of OPCC. Mentioned ERDF type of actions will be implemented in a complementary and integrated manner with the ESF actions, envisaged under the specific objective 9b1 of the Operational Programme Effective Human Resources.

**Table 22: Actions to address specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion**

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
<p>Geographical areas most affected by poverty ( as identified by the index of multiple deprivation and poverty mapping)</p>	<p>Providing support for physical, economic and social regeneration and the revitalisation of degraded 5 pilot small towns (Pilot Projects areas) may include the following ERDF type actions (the list is not exhaustive):</p> <ul style="list-style-type: none"> <li>– Construction or reconstruction/renovation of community facilities, public spaces, enterprise schemes, public utilities, social infrastructure, social housing (renovating and replacing existing social housing units, converting buildings for housing and other purposes), business support facilities;</li> <li>– Direct support to creation of start-ups, survival and growth of existing SMEs and business support institutions specially tailored to meet the needs and potentials in terms of economic development of such areas, including higher intensity of support per project coupled with on-going technical assistance, support and mentoring in all stages of business development ; and</li> <li>– Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including development of specific natural and cultural resources.</li> </ul> <p>The list of actions is indicative and will be tailored in line with the needs of each specific Pilot area and elaborated in a Intervention Plan for respective Pilot area. In the Intervention Plans ESF type activities will be elaborated and integrated with the ERDF activities.</p>	<p>8 - Social Inclusion and Health</p>	<p>ERDF</p>	<p>Less developed</p>	<p>9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas</p>

## 6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS (WHERE APPROPRIATE)

The process of depopulation has been a common feature in Croatia for more than 20 years. The majority of Croatian territory is affected by population loss that is connected with negative natural change in population, with high domestic emigration flow towards big cities and as of recently, with negative net international migration. Between two Censuses in 2001 and 2011, a decrease in total population was recorded of -3.44%. More than 65% of Croatian territory is affected by depopulation higher than the aforementioned average (also, 35% of territory with a loss higher than 10%). Another problem is population density - 43% of territory has less than 25 inhabitants per km<sup>2</sup>. Demographic handicaps are more evident in certain geographical areas such as border areas, hilly-mountainous areas and islands, out of which the last two are also areas with natural handicaps. Moreover, the most demographically challenged are those areas that are still facing war-related losses, due to the aggression against Croatia and Homeland war (1991-1995). The war affected areas are still on 60% of pre-war population, with population density of less than 25 inhabitants per km<sup>2</sup> and deteriorating trend of further depopulation (28% of Croatian territory with 9% of population). Those areas are also highly distressed by poverty and social exclusion. Furthermore, as a general depopulation area in Croatia, there are 718 islands (1,246 with coastal reefs) but only 48 inhabited ones, with a total of 132,000 permanent inhabitants. Apart from the physical detachment that is the obvious source of problems for islanders, seasonable inflow of population (a large number of tourists during summer seasons) creates additional strain for the public services that should ensure normal living conditions. Negative trends in those areas can be reversed only through integrated sets of actions that are foreseen in different priority axes of the OPCC.

Under SO **9b1** Sustainable physical, social and economic regeneration of 5 deprived pilot areas aiming at reducing social inequalities, exclusion and poverty, the interventions regarding physical, social and economic regeneration of deprived areas are targeting five pilot small towns in the war affected areas influenced by poverty and social exclusion as well as high demographic losses. Between pre-war 1991 and 2011 Census, the population loss reached more than 20% in each of them. It was to some extent decreased between 2001 and 2011 Censuses by the increased return of refugees, but recently it has been increasing again due to ongoing emigration and negative natural growth. The ERDF funded interventions under SO 9b1 are complemented with ESF interventions under SO 9i2 Enhancing active inclusion through the implementation of integrated pathways to the regeneration of 5 deprived pilot areas thus creating an integrated approach to tackle the poverty issues in these pilot areas as well as demographic handicaps (loss of population).

OPCC also recognises specific needs of islands and provides activities through the following specific objectives:

**SO 2a1:** The islands are to be provided with modern standard internet connectivity through the interventions envisaged for SO implementation. IT technology provides opportunities for better integration of islands into the rest of the society and also decreases the need for permanent physical presence of some services on islands (like some medical and education services) and makes them more business competitive.

**SO 6ii1:** The aim is the provision of drinking water of good quality and increase of connection rate. The focus of interventions is on construction/reconstruction/upgrading of supply networks as well as water treatment plants and desalination plants for assuring drinking water on remote islands and in other remote inland settlements, at least as a possibility if no other measures are able to be rationally justified and applied.

**SO 7ii1:** The intention is to assure gradually stable and high level transport services regardless of the season, through investments into ports, boats and improved public transport services in general. The intention is also to better integrate this type of transport with other modes and public transport services on the coast.

**SO 9a1:** ESIF will be used to improve transport and care of emergency patients from Croatian islands through establishing rapid sea emergency medical service. As the result of the investment, new conjoint emergency medical wards will provide more effective and efficient EMS, particularly to the population of deprived and isolated areas including islands.

## 7. AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS

### 7.1 Relevant authorities and bodies

**Table 23: Relevant authorities and bodies**

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Managing authority	Ministry of Regional Development and European Union Funds (please see Annex to Section 7 for more details on implementation arrangements)	Minister of Regional Development and European Union Funds
Certifying authority	Ministry of Finance	Assistant Minister of Finance
Audit authority	Agency for the Audit of European Union Programmes Implementation System	Director of the Agency
Body to which Commission will make payments	Ministry of Finance	Assistant Minister

### 7.2 Involvement of relevant partners

#### *7.2.1 Actions taken to involve the relevant partners in the preparation of the operational programme, and the role of those partners in the implementation, monitoring and evaluation of the programme*

The partnership framework in Croatia with respect to the ESI Funds was developed in accordance with the multi-level governance principle outlined in Article 5 of the CPR and the Delegated Act on the European Code of Conduct on Partnership, for five categories of partners: Civil society organisations, social partners, economic partners and the private sector, local and regional level authorities, including urban authorities, and the academic community

Their involvement in the preparation of OPCC and plans to include them in its implementation are described below.

#### **Partnership in the programming of ESIF 2014-2020**

The process of programming for 2014-2020 started in spring 2012. Line ministries, under the coordination of MRDEUF, prepared the analysis of socio-economic situation, as well as SWOT tables with the needs and potentials for future development, taking into account the Croatian legislative and strategic documents, experience from the IPA programming, and later on Croatia's Economic Programme 2013, related Council

conclusions and the EC Position paper (CPP). In September 2012, the Government of Croatia adopted a Decision on the establishment of the Coordination Committee for the preparation of programming documents for the financial period of the EU 2014 - 2020 which determined the responsibilities and tasks of the bodies involved in the work of the Coordination Committee and designated MRDEUF as the body responsible for the overall coordination in preparation of strategic documents and operational programmes for the use of ESI funds 2014-2020. All ministries and a representative of the Prime Minister's Office are included in the work of the Committee, which is responsible for steering the process of preparation of programming documents for the 2014-2020 period. The Committee also established Thematic working groups (TWG) and assigned tasks in the programming exercise.

The main task of the TWGs was the preparation of the draft programming documents. The composition of the TWGs is designed in accordance with 11 TOs proposed by EC in the (then) draft Cohesion policy Regulations for 2014-2020. When composing TWGs, the **partnership principle was respected**, i.e. representatives of the civil society organisations (CSOs) and other non-government organisations (NGOs) have been included in TWGs and actively participated in their work, as well as representatives of regions, bodies responsible for promoting social inclusion, gender equality and non-discrimination, trade unions, association of employers, banking association, chamber of commerce, chamber of trades and crafts, association of cities, rural development stakeholders, environmental partners and other relevant partner institutions. The participating civil society organisations (CSO) and non-government organisations (NGO) were selected through an open call for nominations, the members of the Council for the Development of the Civil Society decided on the representatives by applying a majority vote method of selection. Representatives of social partners have been included and actively participated in work of TWGs dealing with environment, transport, employment, social policy, education and public administration. It is planned to continue the cooperation with relevant institutions and NGOs, which were already engaged in the programming process. In this manner, the continuity and ownership of programming and implementation will be ensured, as stipulated in the Delegated Act on the European Code of Conduct on Partnership.

Distribution of TWGs in relation to thematic objectives (TOs) is the following: TWG 1 on TOs 1 and 2, led by the Ministry of Economy; TWG 2 on TO3 led by the Ministry of Entrepreneurship and Crafts, TWG 3 on TOs 4, 5 and 6, led by the Ministry of Environment and Nature Protection, TWG 4 on TO 7, led by the Ministry of Maritime Affairs, Transport and Infrastructure, TWG 5 on *TOs 8, 9 and 10* led by the Ministry of Labour and Pension System and TWG 6 on *TO 11* led the Ministry of Public Administration.

The lists of institutions and members of the Coordination Committee and TWGs are annexed to this document. Each lead ministry delegated members according to the scope of TOs, as well as depending on the interest expressed by various partner institutions. Lead ministries coordinated inputs of TWG members and provided texts for the programmes as well as proposals of projects for the project pipeline. Materials prepared by TWGs were presented and discussed at the Coordination Committee, and the Coordination Committee approved the final drafts of the PA and programmes.

A series of public consultation events and web discussions was organized in 2013 and 2014:

- Public consultation conference held on 6/7 June 2013 in Zagreb. Partners were presented with identified areas of intervention and were given the opportunity to express their opinion on importance of selected priorities. In total over 400 participants from all over Croatia attended the event;
- The same possibility of commenting identified areas of intervention was enabled via MRDEUF's webpage (<http://www.mrrfeu.hr/default.aspx?id=1885>), resulting with a huge public engagement: MRDEUF received a total of 3,564 responses from the public. The highest interest was expressed in education issues. A summary of the results of the survey is available at <http://www.mrrfeu.hr/default.aspx?id=1592>;
- Two-day workshop with expert groups held in September 2013 with the participation of over 40 prominent Croatian specialists in 9 different areas related to programming, with also the representatives of TWGs. The outcomes of the workshop included the refined logical framework and a list of possible priority actions for ESIFs. The second and consecutive versions of the PA have been improved using these inputs;
- Consultations with the Croatian Parliament were held on 25 March and 15 October 2014
- A three-day Partnership consultation event held in December 2013 with participation from all the TWGs including the Ministry of Agriculture, where the investment strategy laid out in the PA was positively accepted by relevant partners. 845 participants attended the consultation event. A Consultation document outlining the strategy for investing the ESI Funds in the period 2014-2020 was prepared for the consultation event and subsequently publicly available via MRDEUF's webpage; and
- At regional level a series of information events called "Regional Days of EU Funds" was organized in 2013 and 2014, with the audience from local and regional self-government units, regional development agencies, civil society organizations, universities and educational institutions, social partners, non-profit organizations and institutions, institutions and organizations in the field of education and employment, chambers of commerce, SMEs, industry, public and non-public sector companies, businesses, rural development stakeholders and all others interested in ESI Funds.

In performing the coordination role in the programming process, the MRDEUF ensured that relevant documents for consultation were made publicly available and that clear consultation deadlines were communicated. Explanation of the programming and consultation process is provided at the MRDEUF webpage <http://www.mrrfeu.hr/default.aspx?id=1528> clearly describing each phase of the process, as well as answers and results of the surveys.

Special e-mail addresses were created for the purpose of channelling responses coming from the public. MRDEUF coordinated inputs received from the public, directing them to relevant TWGs where needed and taking care that all questions were promptly answered. Whenever possible, all the answers and reflections from the public were taken into account upon revision of programming documents.

A vast interest of the general public focussed on the energy renovation of buildings and houses in order to reduce energy consumption and improve the quality of life is reflected

in the programme by attributing a significant part of the allocation to such activities under TO4. The interest of the public was established not just through the ESI Funds programming process but also through the number of applications for such investments, which exceeded greatly the available allocation of the current, financially limited, state budgetary funded programmes that are to be expanded by ERDF sources.

In general terms, the main concern raised by stakeholders was the influence that ESIF investments will have on growth of the Croatian economy and employment. They highlighted deep structural nature of problems as underlying causes (e.g. almost all of the responses from the private sector referred to administrative barriers, and a high number of responses stated the need for a long-term national strategic document and national strategic goals which would make it easier to position the priorities in the ESI Funds context as well). Many comments addressed the need for investments in areas highly affected by unemployment, poverty and lack of investments, which is specifically tackled through selected investment priorities. Interestingly, there seems to be polarisation of opinion on the need to more territorially concentrate certain investments with some respondents stating that a horizontal approach would work better. There were also many questions related to dissemination of information on tenders, conditions for financing of projects and eligibility of applicants. Given that the main national development goals in the 2014-2020 perspective are economic growth, employment growth and preservation of national resources, implementation of programmes will lead into direction of answering the main concerns raised by stakeholders.

### **Partnership during the implementation of the 2014-2020 ESIF programmes**

The **Monitoring Committee (MC)** of OPCC, to be established under Art. 47 of the CPR, will include representatives of the civil society organisations, social partners, economic partners, local and regional level authorities, including urban authorities, representatives of financial institutions, academic community representatives and representatives of non-discrimination and gender equality bodies.

The **National Coordinating Committee (NCC)** is established under Art. 6 of the Law on the establishment of the institutional framework for the implementation of the ESI Funds in Croatia during the financial period 2014-2020. The thematic sub-committees of the NCC may include representatives of partners, as appropriate according to theme (e.g. the Thematic sub-committee on competitiveness and entrepreneurship shall have relevant representatives (partners) coming from the business/private sector). The uneven composition of the committees overwhelmingly composed of public officials shall be avoided. Partners' selection for the thematic sub-committees of the NCC will be made in a transparent way and taking into account their experience with previous EU funding instruments, 2007-2013 period and their involvement in 2014-2020 programming process. NCC and thematic sub-committees will have a consultative role and perform duties according to the abovementioned Law.

In accordance with the requirement laid down in Art. 5 of the CPR, the partners will play an important role in preparation, implementation, monitoring and evaluation of programmes, by participation in the OPCC Monitoring Committee, and in the annual implementation reports for each programme. Where appropriate, partners will include those who already participated in the programming phase thus enabling continuity of

their work. Intermediate bodies will have the task of inclusion of the most relevant partner organizations in their field of business. Furthermore, an opportunity will be given to new partners to be selected through a transparent selection process to thematic sub-committees.

The Managing Authority for OPCC will engage the selected partners in monitoring, assessment of performance, evaluation and preparation of the **annual implementation reports of OPCC** under the responsibility of the Monitoring Committee and, where appropriate, through specific working groups established by the MC for this purpose.

The MA shall consult, where appropriate, the NCC and the Thematic sub-committees, which shall include relevant partners as described above, in preparation of the calls for proposals, based on procedures set in advance. Particular attention will be given to the possible conflict of interest.

A major aspect when considering the partnership in different stages of preparation and implementation is the **capacity building of partners**. The ESI Funds dedicated to technical assistance will be used, inter alia, to ensure that the partners receive the necessary training to participate in the preparation, implementation, monitoring and evaluation of OPCC. The support may take the form of dedicated workshops, training sessions, preparation and support of networking platforms, etc.

*7.2.2 Global grants* (for the ESF, where appropriate)

*7.2.3 Allocation of an amount for capacity building* (for the ESF, where appropriate)

## **8. COORDINATION BETWEEN THE FUNDS, THE EAFRD, THE EMFF AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS, AND WITH THE EIB**

The mechanisms to ensure coordination between the Funds, the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF) and other Union and national funding instruments, and with the European Investment Bank (EIB), taking into account the relevant provisions laid down in the Common Strategic Framework.

Coordination between various funding instruments will be ensured at the highest level, and managed by the Coordinating Body and the National Coordinating Committee (NCC). The main committee involved in the management and monitoring of individual programmes is the Monitoring Committee (MC) of each programme. A common forum to launch meaningful discussions and exchange on practical implementation issues may be set up under thematic headings below the level of MCs, however excessive fragmentation shall be avoided.

### **1. Delimitation, complementarity and synergies with other ESI Funds**

**Entrepreneurship:** The ERDF will provide assistance to newly established and already existing SMEs to improve their competitiveness, expand and innovate, while the ESF will support self-employment by facilitating access to entrepreneurship for the vulnerable group of unemployed. The EAFRD will support start-ups in non-agricultural activities for micro and small enterprises in rural areas. The EMFF will support the production in the aquaculture and fisheries sectors in view of the diversification of economic activities.

**Transport Sector:** Being much orientated on the TEN-T network, PA 7 is complementary to the Connecting Europe Facility (CEF) - Transport activities. CEF is concentrated on supporting part of the projects on the core network corridors, mainly railway. The CF/ERDF within the OPCC will tackle the rest of the network corridors and support priority core network projects that have fallen out of the CEF scope due to timing and financial restraints.

**Energy sector:** The EAFRD will focus on measures for energy efficiency & RES for agricultural producers and food processing industry in addition to the generation of biomass from forestry. Complementarity will be achieved by usage, where applicable and feasible, of the biomass generated from forestry for the production of RES in manufacturing industries, private service sector, buildings and district heating system under ERDF. EMFF will support energy efficiency activities in fisheries and aquaculture.

**Environment:** Integrated waste management operations will be financed by the Cohesion Fund, tackling the entire waste lifecycle (from generation to final disposal). Marine pollution clean-up (collection of waste and litter) in sea will be financed by EMFF.

Regarding water management (water supply, sewerage and waste water treatment), operations will be financed by the Cohesion Fund in settlements with more than 2,000 inhabitants and by EAFRD in settlements below 2,000 inhabitants.

As regards biodiversity conservation, EAFRD will support measures on agricultural land related to nature protection including incentives to farmers (agri-environment-climate measures), while ERDF will focus on establishment and implementation of the Natura 2000 management framework and biodiversity-related measures on non-agricultural land.

In terms of touristic infrastructure in nature protected areas, ERDF will concentrate on projects in protected areas managed by the state/regional (county) authorities while EAFRD will relate to areas managed by the local (city/municipality) ones.

**Climate change adaptation and risk management:** EAFRD will support irrigation measures, while specific risks related to flood protection management are to be tackled under ERDF. ERDF will also finance measures in relation to other specific risks, identified in the Risk assessment (due by the end of 2015).

**Regarding the development of territories,** EAFRD will support for small-scale public service infrastructure in rural areas (rehabilitation and conservation of existing cultural heritage and other buildings, adaptation to the community needs).

**Demining support:** The ERDF/CF will support the costs of demining in selected development projects, as well as in operations aiming at the clearance and rehabilitation of forest and forestland in protected and Natura 2000 areas. EAFRD will intervene to increase the usable agricultural land and restore agricultural potential. One of the positive effects for farmers, will be the creation of preconditions for the allocation of payment entitlements which they will receive from the “demining reserve” under the 1st CAP pillar. Furthermore, specific demining actions will be included within the Cross-Border Cooperation Programmes.

### **Complementary and integrated projects under Thematic objectives 9 and 10**

Synergies between ERDF and ESF in the OP CC and OP EHR are foreseen related to social care, health care and education investments planned in TO 9 and 10 in a joint effort to achieve: cost-efficiency of healthcare, transition from institutional to community-based social care, improved skills for employability, improved access to HE and increased completion rates for students at a disadvantage and digitally mature schools. Integrated operations in IP 9.2 (ERDF) and 9i (ESF) are foreseen related to implementation of pilot regeneration and revitalisation schemes (Integrated regeneration programme) in 5 degraded small towns. Synergies shall be ensured through coordinated planning at the strategic and programme levels and working together in implementation of programmes, specifically by standardisation of procedures (Common National Rules), in implementing the programme strategy by preparation of Joint Programme Complements (Joint Programme Complements shall be discussed and reviewed by the NCC and its Thematic sub-committees, acting in an advisory capacity, in order to ensure synergies and integration), synchronisation of timing of the calls for proposals, selection and funding decisions and day-to-day contacts of bodies part of both management and control structures. Integrated operations in IP 9.2 (ERDF) and IP 9i (ESF) shall benefit also from integrated planning at the project level (i.e. each of the selected pilot areas will be required to prepare an integrated Intervention plan that will outline the specific needs of the target area and include an integrated mix of measures contributing to the achievement of specific objectives and indicators as set out in OP CC and OP EHR.

## **2. Other Union and national instruments**

**Programme for the Environment and Climate Action (LIFE):** The potential for complementarities and synergies between LIFE programme and ESIFs exists in almost all sectors, specifically in TOs 4 to 6. Complementarity can be achieved under Integrated projects, intended to co-finance bigger projects on a large territorial scale (regional, multi-regional, or national, and in a cross-sector manner) and will cover limited priorities of the two LIFE sub-programmes. However, since financing for integrated projects needs to mobilize EU Structural funds and / or other national and private funding, ESIFs can provide funding as necessary contribution to integrated projects under LIFE. Besides integrated projects, LIFE can fund other types of projects such as preparatory technical assistance and preparatory projects that can serve as basis for implementation for such projects (developed under LIFE) under ESI funded programmes.

**EUREKA** is an intergovernmental organization for market-driven industrial R&D in which Croatia is participating since 2000. Projects identified and approved under EUREKA are to be financed by the beneficiary and public co-financing up to 50% of the investment (in case of Croatia). Having in mind that EUREKA supports activities that are complementary to activities envisaged under TOs 1-6 there is a potential for usage of ESIFs for partial securing of public co-financing of the projects identified under EUREKA.

**European Economic Area (EEA) Grants:** Complementarity of the PA 1 shall be possible with **EEA Financial Mechanism Programme 2009 - 2014**, which aims at strengthening economic cohesion at national, regional and local levels through investments in energy, environmental and maritime research and business innovation.

**Swiss-Croatian Cooperation Programme** supports EU objectives of internal economic and social cohesion. Close internal coordination is to be ensured through the day-to-day work of the National Coordination Unit placed in MRDEUF. The programme will focus on a few predefined basic infrastructure projects in specific geographical areas on one hand, and at human and social development on the other hand.

**Union Programmes 2014-2020:** Main efforts for coordination shall be concentrated at MRDEUF which is responsible for the overall coordination of EU Funds, e.g. for ensuring the involvement of the relevant public administration bodies in the activities of each programme in the quality manner, as well as for the monitoring and evaluation of the Croatian participation in the programmes.

Synergies between the PA 1 and the Framework Programme for Research and Innovation (Horizon 2020) will be ensured by joint efforts and day-to-day work of the responsible NCP within the Ministry of the Education and Sports, and MRDEUF, as the overall coordinator of EU Funds. MRDEUF will optionally consult institutions in charge for specific sectors, e.g. Ministry of Maritime Affairs, Transport and Infrastructure for the questions of complementarity of actions in the area of Societal Challenge "Smart, green and integrated transport" envisaged under the programme Horizon 2020 and PA 7 in the OPCC.

In order to enable synergies between actions envisaged through SO 1.a.1 and HORIZON 2020 three scenarios are envisaged: (i) to ensure needed equipment to conduct project for projects financed under initiatives for spreading excellence (ii) to build stairway to research excellence by financing projects that did not receive funding under ERC but were shortlisted (positively evaluated in second stage of evaluation process) (iii) to

introduce in the selection procedure additional scores for projects that were evaluated positively but were not financed under standard collaborative R&I actions for societal challenges. Coordination of activities will be ensured by the Ministry of Science, Education and Sports (Sector for international cooperation, and EU programmes and projects) which has the role of IB1 for OPCC and National NCP Coordinator for Horizon 2020.

As regards the Programme for the Competitiveness of Enterprises and SMEs (COSME) and ensuring its synergy with the planned activities under PA 3 in the OPCC, it is considered as the joint responsibility of the MRDEUF and the Ministry of Crafts and Entrepreneurship, which has the mandate of ensuring coordination of the quality publicity and visibility activities, as well as smooth implementation of the programme COSME in Croatia.

### **Coordination of ETC with mainstream OP as well as macro-regional strategies (MRS)**

Coordination between OPCC and all 13 territorial cooperation programmes shall be achieved through regular staff meetings of all programmes, while coordination with MRS's shall be achieved on a higher level through NCC. Coordination can be expected with regards to publication of tenders, alignment of applicable eligibility rules for both, beneficiaries and costs, publicity and visibility activities, activities with regards to detection, prevention and reporting on irregularities, complaints procedure and through selection of operations on a smaller level since the rules for selection of operations differ so only already contracted operations could/should be compared. This should also allow for a certain level of prevention of double financing.

With regards to macro-regional strategies, coordination shall be achieved through NCC where all the internal and external financial assistance shall be coordinated. NCC should take over members of the current National Committee established for transnational and interregional programmes and MRS's and extended with other relevant members thus creating an excellent platform for coordination and consultation with a larger number of interested and relevant stakeholders.

Alignment of running or finished projects with MRS's shall be assessed at this level through regular reporting and meetings of the NCC. It is expected that NCC could advise the MA's and NA's in case of non-managed ETC programmes, to finance additional cooperation activities where there is potential of projects contributing to macro-regional goals. Stating this, NCC shall receive a list and summary of all financed projects enabling them to make these suggestions.

### **3. EIB and other IFIs**

Croatia has applied for an EIB loan (Structural Programme Loan, SPL) in order to facilitate implementation of ESIFs in the 2014-2020 period. The SPL will be used to co-finance projects that benefit from the ESIFs and to strengthen Croatia's competitiveness and increase its capacity to absorb EU Funds. Focus will be placed on areas such as broadband development, energy efficiency, transport, waste, water and environmental protection as well as R&D, but potentially also other sectors could benefit if high absorption potential is shown. MRDEUF will undertake the role of the promoter and coordinator, whereas the Ministry of Finance will be the borrower. MRDEUF also coordinates the JASPERS support facility, which supports the preparation of large

projects in transport, environment and competitiveness sectors as well as perform Independent Quality Review of those projects above the Major Project threshold. A dedicated unit is established within MRDEUF devoted to coordination of EIB and JASPERS activities, serving as the main focal point and main contact point between EIB and bodies responsible for preparation and implementation of projects, and working in cooperation with the Ministry of Finance. The same unit is also responsible for the coordination with other IFIs if needed; however, presently, no other new facilities are envisaged in addition to SPL.

## 9. EX-ANTE CONDITIONALITIES

### 9.1 Ex-ante conditionalities

Information on the assessment of the applicability and the fulfilment of ex-ante conditionalities (optional).

The following Tables 24, 25 and 26 contain the relevant summarised points, in line with the prescribed length of the content, while much more detailed information is contained within a separate Annex to the OPCC, under Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities.

**Table 24: Applicable ex-ante conditionalities and assessment of their fulfilment**

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	1 - Strengthening the Economy through Application of Research and Innovation	No
T.01.2 - Research and Innovation infrastructure. The existence of a multi annual plan for budgeting and prioritisation of investments.	1 - Strengthening the Economy through Application of Research and Innovation	No
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	2 - Use of Information and Communication Technologies	No
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable	2 - Use of Information and Communication Technologies	Partially

<b>Ex-ante conditionality</b>	<b>Priority axes to which conditionality applies</b>	<b>Ex-ante conditionality fulfilled (Yes/No/Partially)</b>
groups.		
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	3 - Business Competitiveness	Partially
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	4 - Promoting Energy Efficiency and Renewable Energy Sources	Yes
T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power.	4 - Promoting Energy Efficiency and Renewable Energy Sources	No
T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy sources.	4 - Promoting Energy Efficiency and Renewable Energy Sources	Yes
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	5 - Climate Change and Risk Management	Partially
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	6 - Environmental Protection and Sustainability of Resources	No
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	6 - Environmental Protection and Sustainability of Resources	Partially
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance	7 - Connectivity and Mobility	Partially

<b>Ex-ante conditionality</b>	<b>Priority axes to which conditionality applies</b>	<b>Ex-ante conditionality fulfilled (Yes/No/Partially)</b>
with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.		
T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.	7 - Connectivity and Mobility	No
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.	7 - Connectivity and Mobility	Partially
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	8 - Social Inclusion and Health	Partially
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	8 - Social Inclusion and Health	Partially
T.10.2 - Higher education: the existence of a national or regional	9 - Education, Skills and Lifelong	Yes

<b>Ex-ante conditionality</b>	<b>Priority axes to which conditionality applies</b>	<b>Ex-ante conditionality fulfilled (Yes/No/Partially)</b>
strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	Learning	
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	9 - Education, Skills and Lifelong Learning	No
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	1 - Strengthening the Economy through Application of Research and Innovation 10 - Technical Assistance 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning	No
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	1 - Strengthening the Economy through Application of Research and Innovation 10 - Technical Assistance 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning	Partially

<b>Ex-ante conditionality</b>	<b>Priority axes to which conditionality applies</b>	<b>Ex-ante conditionality fulfilled (Yes/No/Partially)</b>
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCPRD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	1 - Strengthening the Economy through Application of Research and Innovation 10 - Technical Assistance 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning	No
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	1 - Strengthening the Economy through Application of Research and Innovation 10 - Technical Assistance 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning	Partially
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Strengthening the Economy through Application of Research and Innovation 10 - Technical Assistance 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk	No

<b>Ex-ante conditionality</b>	<b>Priority axes to which conditionality applies</b>	<b>Ex-ante conditionality fulfilled (Yes/No/Partially)</b>
	Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning	
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	1 - Strengthening the Economy through Application of Research and Innovation 10 - Technical Assistance 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning	Partially
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	1 - Strengthening the Economy through Application of Research and Innovation 10 - Technical Assistance 2 - Use of Information and Communication Technologies 3 - Business Competitiveness 4 - Promoting Energy Efficiency and Renewable Energy Sources 5 - Climate Change and Risk Management 6 - Environmental Protection and Sustainability of Resources 7 - Connectivity and Mobility 8 - Social Inclusion and Health 9 - Education, Skills and Lifelong Learning	Yes

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	1 - A national or regional smart specialisation strategy is in place that:	No		Smart specialisation strategy has not been adopted yet, it is in a process of elaboration. First draft of Smart specialization strategy was submitted for assessment to ex-ante evaluator engaged by EC in April 2014. Preliminary evaluator report was received in May 2014 which was the basis for S3 redrafting. Components related to the monitoring and governance were not drafted at the time of submission of document to ex-ante evaluation, which means that those were not evaluated. Based on Ex-ante evaluator findings S3 strategy has been revised and submitted to ex-ante evaluator on 31st October.
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	2 - is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities;	No		Smart specialisation strategy has not been adopted yet, it is in a process of elaboration. Based on ex-ante evaluator findings from April 2014, SWOT analyses as well as basic analyses and selected thematic priorities are redrafted in a way to be evidence based and to reflect clear linkages and description of selection of priorities and concentration of resources. Consultation process with expert groups is organized, in order to receive expert opinion on SWOT and priority areas selected for investment and stakeholder consultations organized to

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				receive additional inputs. Based on inputs received from experts, SWOT and priority areas are updated and submitted to IMWG (Inter ministerial working group) and SC (Steering Committee) on opinion for selected priorities (in October 2014). Final draft versions of SWOT and priority areas of investments were submitted to ex-ante evaluator on 31st October 2014.
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	3 - outlines measures to stimulate private RTD investment;	No		Smart specialisation strategy has not been adopted yet. Three rounds of partnership consultation and meetings with expert groups and relevant stakeholder were organized until the end of November 2014 (third one took place during September 2014). They were organized in order to receive expert opinion on delivery mechanisms and policy mixes and its correlation with priority areas selected for investment. Partnership consultations are organized to receive additional inputs regarding delivery mechanism and priority thematic areas. Document is adjusted accordingly. Opinion from the SC/IMWG is obtained in October 2014. Document is sent to ex-ante evaluation on 31st October 2014.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	4 - contains a monitoring mechanism.	No		Smart specialisation strategy has not been adopted yet, it is in a process of elaboration. Draft of governance, monitoring and evaluation mechanisms for assessing the S3 implementation have been developed along with mechanisms for their future up-date. A draft was submitted for assessment to ex-ante evaluator engaged by EC in November 2014.
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	5 - A framework outlining available budgetary resources for research and innovation has been adopted.	No		A framework outlining available budgetary resources for research and innovation has not been developed and it has not been adopted.
T.01.2 - Research and Innovation infrastructure. The existence of a multi annual plan for budgeting and prioritisation of investments.	1 - An indicative multi-annual plan for budgeting and prioritisation of investments linked to Union priorities, and, where appropriate, the European Strategy Forum on Research Infrastructures (ESFRI) has been adopted.	No		Croatian Roadmap on ESFRI has been adopted in April 2014. The Roadmap covers an indicative budget for financing of research infrastructure for the period 2014-2023. Defined priorities regarding national infrastructure and large international projects (projects from the ESFRI/ERIC Roadmap) are listed as well in the S3 draft and developed taking into account same analysis that has been used in S3. For each of these

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				infrastructures, financial obligations have been listed. Investment plan in research infrastructure on an annual basis for 2014-2020 and funding sources for 3 ministries (MSES, MoEC and MoE) is included. Coherence of the ESFRI Roadmap prioritisation with the Smart specialisation strategy will be checked upon S3 completion.
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	1 - A strategic policy framework for digital growth, for instance, within the national or regional smart specialisation strategy is in place that contains:	No		Development of e-Croatia strategy has started in October 2014 by setting up inter-institutional working group for Strategy preparation. It will set up strategic objectives and measures related only to ICT investments in public sector, while SME Development Strategy 2013-2020 sets up strategic objectives and measures related to development of ICT products and services in private sector. Strategy will, as well, take into account other national strategies covering ICT development in specific sectors (e.g. national Health Strategy contains an important part regarding development of e-health). Objectives in line with the DAE 2020 will be defined. Law on the State information infrastructure requests a coordinated approach to ICT project development in public sector. It defines mechanism for monitoring and coordination of all public ICT projects,

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				regardless on sources of financing. The same mechanism defined by this Law, will be used to identify project pipeline to be financed from ESIF.
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	2 - budgeting and prioritisation of actions through a SWOT or similar analysis consistent with the Scoreboard of the Digital Agenda for Europe;	No		A strategic policy framework for digital growth is not in place.
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	3 - an analysis of balancing support for demand and supply of ICT should have been conducted;	No		A strategic policy framework for digital growth is not in place.
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	4 - indicators to measure progress of interventions in areas such as digital literacy, e-inclusion, e-accessibility, and progress of e-health within the limits of Article 168 TFEU which are aligned, where appropriate, with existing relevant sectoral Union, national or regional strategies;	No		A strategic policy framework for digital growth is not in place.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	5 - assessment of needs to reinforce ICT capacity-building.	No		A strategic policy framework for digital growth is not in place.
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	1 - A national or regional NGN Plan is in place that contains:	No		<p>Croatian NGN Plan in the period 2014-2020 is formally covered by following documents:</p> <ul style="list-style-type: none"> <li>- Strategy for Broadband Development in the Republic of Croatia for 2012 - 2015 (OG No. 144/11).</li> <li>- Study on funding models and support for investment in broadband infrastructure (2012) covers 2014-2020 period.</li> </ul> <p>New Strategy for Broadband Development in the Republic of Croatia for 2016 - 2020 is not in place. National Framework Program (ONP) for the development of broadband infrastructure in areas lacking of sufficient commercial interest for investments (access, last mile) - has not been cleared for state aid, and has not been adopted. National program for backhaul broadband infrastructure</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				(NP-BBI) has not been cleared for state aid, and has not been adopted.
<p>T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.</p>	<p>2 - a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;</p>	<p>No</p>	<p>Study on funding models and support for investment in broadband infrastructure (finished in 2012), chapter 2 &amp; annex A; chapter 4 &amp; annex B Interactive broadband coverage map developed by NRA</p>	<p>Study contains broadband infrastructure coverage analysis by counties, municipalities and settlements (mapping white, grey, black areas) and economic analysis of implementation costs of NGN network aligned with DAE targets, taking into account the re-use of existing operators' infrastructure (ducts, access copper, antenna masts), as well as build-out of new infrastructure (only fiber-optic and LTE will be financed under ESIF). Interactive broadband coverage map developed by NRA gives overview of availability of basic and NGA coverage throughout settlements, it is quarterly updated with recent operators' coverage data. Strategy for Broadband Development in the Republic of Croatia for 2016 - 2020 is not in place. National Framework Program (ONP) for the development of broadband infrastructure in areas lacking sufficient commercial interest for investments (access, last mile) as well as National program for backhaul broadband infrastructure (NP-BBI) have not been cleared for state aid.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	3 - sustainable investment models that enhance competition and provide access to open, affordable, quality and future-proof infrastructure and services;	Yes	Study on funding models and support for investment in broadband infrastructure (chapter 4.3)	Study contains analysis of broadband infrastructure investment models, according to EC Guide to Broadband Investment and best practice from other EU countries. Estimation of infrastructure investments is based on economic analysis (a description of the methodology and data sources used for the analysis, including the involvement of the stakeholders; a map of existing private and public infrastructures and planned investments, as well as data on coverage). Study is taking account existing private and public infrastructures and planned investments; sustainable investment models enhancing competition and providing access to open, affordable, quality and future proof infrastructure and services; measures to stimulate private investment. Private DBO, public DBO and PPP were identified as prospective investment models for Croatia; models to be considered as state aid measures in white and grey areas were identified.
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on	4 - measures to stimulate private investment.	Yes	Study on funding models and support for investment in broadband infrastructure (chapter 5) Electronic Communications Act (OJ. 71/14,	Study on funding models and support for investment in broadband infrastructure contains proposals of main measures for support of broadband infrastructure investments, including State Aid measure in white

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.</p>			<p>Article 16 (5, 6, 7,8)) Ordinances OG 131/2012; OG 108/10; OG 136/11; OG 155/09; OG No. 107/13</p>	<p>and grey areas, covering both access and backbone portion of networks. It outlines needed budgetary resources for broadband interventions (EU, national, regional and other sources as appropriate). Electronic Communications Act (OJ. 71/14, Article 16 (5, 6, 7, 8)) determines establishment of the „Network industries development fund" by the end 2014. The fund is established to help achieve priorities defined in relevant strategies and programs of the Government with the aim to foster development of electronic communications networks and services, especially for deployment of high-speed access networks. Financial aid will be granted according to the State aid rules.</p>
<p>T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).</p>	<p>1 - The specific actions are: measures have been put in place with the objective of reducing the time and cost involved in setting-up a business taking account of the targets of the SBA;</p>	<p>Yes</p>	<p>- Act on Regulatory Impact Assessment (OG No. 90/11), (<a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2011_08_90_1918.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2011_08_90_1918.html</a>)  - Regulation on the implementation of the RIA (<a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2011_08_90_1918.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2011_08_90_1918.html</a>)</p>	<p>By Companies Act and its amendments, specific measures have been introduced for reducing the time needed to set-up business (sub-criteria A) and for reducing the cost of setting-up business (sub-criteria B). The criteria (sub-criteria A + B) was successfully applied to all types of entities in the small business sector and have shown practical improvements with regard to the criteria demands. The amended Companies Act</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>2_06_66_1554.html)</p> <p>- Ordinance for entry in the court register (OG 22/12) (<a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2012_02_22_591.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2012_02_22_591.html</a>) - Crafts Act (OG No. 143/13) (<a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_143_3065.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_143_3065.html</a>)</p> <p>- Companies Act (OG No. 111/93, 34/99, 121/99)</p>	<p>(including respective bylaws) proscribes improved procedure enabling the relevant Commercial Court Register to electronically submit decision on registration of a new company within 24 hours (upon demand) (OG 22/12 – Art. 38.-40.), providing that received documentation is correct and complete. Court electronically submits to the HITRO.HR decision on establishment and confirmation of newly formed company including assigned OIB (personal identification number of the company) and carries out the registration of a new company in the Registry of Companies within the 24 hours.</p>
<p>T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).</p>	<p>2 - The specific actions are: measures have been put in place with the objective of reducing the time needed to get licenses and permits to take up and perform the specific activity of an enterprise taking account of the targets of the SBA;</p>	<p>Yes</p>	<p>Act on General Administrative Procedure (OG No 47/09) - Art. 101 and Art. 102</p> <p>(<a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2009_04_47_1065.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2009_04_47_1065.html</a>)</p> <p>SME Development Strategy of the RoC 2013–2020</p> <p>(OG No.136/13) (<a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_136_13065.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_136_13065.html</a>)</p>	<p>The Act on general administrative procedure proscribes the standard deadline in the procedure of issuing decision to be completed no later than 30 days from the submission of the complete application. In addition, “silence is consent” principle is prescribed, meaning when a public authority in the proceedings in an orderly application fails issue decision within the 30 days, the request by applicant is automatically approved. In this sense, the time needed to obtain licenses and permits to take up and</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			novine.nn.hr/clanci/sluzbeni/2013_11_136_2926.html )	perform the specific activity of an enterprise is significantly reduced from before and the criterion is fulfilled. There are some specific areas that require permits and licences issuing of which may still take up longer time. Croatia will continue mapping and analysing specific areas and activities to determine those for which specific licences and permits are required and the time needed for issuing.
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	3 - The specific actions are: mechanism is in place to monitor the implementation of the measures of the SBA which have been put in place and assess the impact on SMEs.	No	<p>Act on Regulatory Impact Assessment ,OG No. 90/11, the Regulation on the Implementation of the RIA ,OG No. 66/12</p> <p>The SME Development Strategy of the RoC 2013–2020 ,OG No.136/13 (<a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_11_136_2926.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_11_136_2926.html</a> )</p> <p>SME Encouragement Act (OG no. 29/02, 63/07, 53/12, 56/13); (<a href="http://www.minpo.hr/UserDocs/Images/NN%2053_2012%20Zakon%20o%20izmjenama%20i%20dopunama%20Zakona%20o%20">http://www.minpo.hr/UserDocs/Images/NN%2053_2012%20Zakon%20o%20izmjenama%20i%20dopunama%20Zakona%20o%20</a></p>	Croatia has made progress in the assessment of the impact of legislative changes on small businesses and in improvement of information dissemination in that sense. Ministry of Entrepreneurship and Crafts (MEC) is focused on advancing Economic Impact Assessment (EIA) System in Croatia, with a specific focus on the SME sector (SME test), including consultation process/public-private dialogue for economic impact assessment and dissemination of information and awareness-raising. MEC has developed assessment tools - developed methodology for EIA for SMEs (measuring the economic impact of new laws and regulations on SMEs) which includes an “SME test” and tool for e-Consultations for SMEs. In addition to the e-Con tool for general

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			20poticanju%20razvoja%20malog%20gospodarstva.pdf)	SME stakeholders, MEC is also preparing Business Test Panel specifically for consultations with SMEs (and partly for the SME Test). However, the mechanism to assess the impact of the legislation on SMEs is still not widely implemented.
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	1 - The actions are: measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Article 3, Article 4 and Article 5 of Directive 2010/31/EU of the European Parliament and of the Council;	Yes	<p><i>Ordinance on energy audit of buildings and energy certification (OG 48/14 )</i>  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2014_04_48_929.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2014_04_48_929.html</a></p> <p><i>The Building Act (OG 153/13)</i>  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_153_3221.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_153_3221.html</a></p> <p><i>Technical regulation on energy economy and heat retention in buildings (OG 130/2014)</i>  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2014_11_130_2457.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2014_11_130_2457.html</a></p> <p>The additional references are provided in separate files under</p>	<p>Ordinance on energy audit of buildings and energy certification prescribes that necessary calculations are in line with Methodology for calculating energy performance of buildings. Methodology is defined as set of procedures for conducting energy audits of building which also consists of Algorithm for calculation of energy performance of buildings.definition of the energy performance of a building is transposed in Art 3 (1) of The Building Act.</p> <p>(Minimum) Energy performance indicator and numeric indicator of primary energy use for all types of building are calculated on the basis of cost optimal analysis. Those energy performance requirements are contained in Technical regulation on energy economy and heat retention in buildings. The additional information and explanation is provided in separate files under the Documents section.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			the Documents section.	
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	2 - The actions are: measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;	Yes	<p>Building Act (OG 153/13)  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_153_3221.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_153_3221.html</a></p> <p>Ordinance on energy audit of buildings and energy certification (OG 48/14)  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2014_04_48_929.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2014_04_48_929.html</a></p>	<p>Art 22-26 of the Building Act prescribe the energy performance certificate. The Act and new Ordinance on energy audit of buildings and energy certification prescribe the requirements for the certificates to contain at least the following: energy performance of the building, reference values and recommendations for the cost-effective improvement of the energy performance of the building or building unit and an estimate for the range of payback periods. Ordinance also contains the indication as to where the owner or tenant can receive more detailed information on energy performance of the building reference values As for the requirements from the Art 11(2) a) and b) and Art 11(3) of the Directive 2010/31/EU they are transposed (prescribed) in the Article 19 (4), Article 3(25) and Article 19(5) of the Ordinance on energy audit of building and energy certification respectively.</p> <p>The additional information and explanation is provided in separate files under the Documents section.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	3 - The actions are: measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27/EU of the European Parliament and of the Council;	Yes	Third National Energy Efficiency action plan  <a href="https://vlada.gov.hr/UserDocsImages/Sjednice/2014/178%20sjednica%20Vlade//178%20-%202.pdf">https://vlada.gov.hr/UserDocsImages/Sjednice/2014/178%20sjednica%20Vlade//178%20-%202.pdf</a>	The national indicative energy efficiency targets (as per Article 3 of the Directive 2012/27/EU) are contained in the third National Energy Efficiency Action plan, adopted by the Government on 30 July 2014, and which was officially submitted to European Commission on 31 July 2014. The targets are contained in the Annex A1 of the third NEEAP.
T.04.1 - Actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	4 - The actions are: measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and of the Council on energy end-use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings.	Yes	Law on energy efficiency (OG 127/14) <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2014_10_127_2399.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2014_10_127_2399.html</a>  Law on energy (OG 120/12) <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2014_02_14_298.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2014_02_14_298.html</a>  The additional references are provided in separate files under the Documents section.	Law on energy efficiency sets the provision for individual metres in Art 15  (2) Subject to technical feasibility, financial justifiability and proportionality to the potential energy savings, distribution operator ensures that individual metering devices are provided to the end users  (3) Meters mentioned are ensured at competitive prices at the moment:  - Replacement of the existing ones, unless technically infeasible or cost ineffective compared to the long term savings.  - Installing the new connection in new building or if building is subject to

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>renovation.</p> <p>Additional provisions are placed in the energy source specific regulation (electricity, heating / cooling). The obligatory content of the bill for energy use that includes all the relevant data are prescribed by the energy source specific regulation. Provisions for smart grids are established art 38 of the Law on energy. The additional information and explanation is provided in separate files under the Documents section</p>
<p>T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power.</p>	<p>1 - Support for co-generation is based on useful heat demand and primary energy savings consistent with Article 7(1) and points (a) and (b) of Article 9(1) of Directive 2004/8/EC;</p>	<p>No</p>		<p>“National potential for cogeneration in the RoC” (<a href="http://www.mingo.hr/userdocsimages/energetika">http://www.mingo.hr/userdocsimages/energetika</a> Nacionalni%20potencijal%20kogenacije%20u%20Republici%20Hrvatskoj. pdf ) contains assessment of the potential for generation of thermal energy form the high efficient cogeneration, having in mind available energy sources and technologies that can be used in the co-generation facilities and the potential barriers for realisation of potential. In 2015 expanded version of a document from 2009 subsequent to new Directive 2012/27 will be prepared. Besides assessment of the current situation it also contains assessment of the</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				cogeneration potential, including methodology development, technical potential, economic feasibility modelling and subsequent economic potential as well as impact in terms of emissions. Updated assessment of the cogeneration potential will be also prepared in 2015. The additional information and explanation is provided in separate files under the Documents section.
T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power.	2 - Member States or their competent bodies have evaluated the existing legislative and regulatory framework with regard to authorisation procedures or other procedures in order to: (a) encourage the design of co-generation units to match economically justifiable demands for useful heat output and avoid production of more heat than useful heat; and (b) reduce the regulatory and non-regulatory barriers to an increase in co-generation.	No		The Energy Strategy (OG 130/2009) provides overall directions by defining that DHS with the heat and electricity cogeneration will be stimulated, if this proves to be economically viable. Electricity act (OG 22/2013) states how facility generating electricity in a highly efficient manner acquires the status of an eligible producer on the basis of a decision issued by the Croatian Energy Regulatory Agency. Eligible producers may become entitled to an incentive price determined by using the tariff system for the generation of electricity from RES and cogeneration. In addition, the electricity market operator shall have precedence in purchasing electricity from RES and cogeneration from an eligible producer who is within the

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				incentive system. This evaluation of existing legislative and regulatory framework will be part of the Programme for the use of efficiency potential in heating and cooling 2016-2030. The additional information is provided in separate files under the Documents section
T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy sources.	1 - Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1), Article 16(2) and 16(3) of Directive 2009/28/EC of the European Parliament and of the Council.	Yes	<p>Relevant energy legislation for support schemes: National Energy Strategy, Electricity market act, Thermal market act, Gas market act, Energy act, the Act on Energy Efficiency and Environmental Protection Fund, the Construction and physical planning act and the National action plans for EE and RES</p> <p>The relevant information on support schemes  <a href="http://www.mingo.hr/default.aspx?id=3196">http://www.mingo.hr/default.aspx?id=3196</a></p> <p>The additional references are provided in separate files under the Documents section</p>	<p>Provisions for support schemes are transposed and regulated by various energy legislation (see references) and information about these schemes is available at the websites of the Ministry of Economy, Croatian Market Operator (CEMO), Croatian Electric Utility (HEP), Croatian TSO for electricity (HOPS), Ministry of Construction and Spatial Planning and Energy Efficiency Fund;</p> <p>Priority and guaranteed access to the grid system and priority in dispatching to electricity of renewables is provided by the Electricity Market Act, Art 5.</p> <p>The standard rules relating to the bearing and sharing of cost of technical adaptation are available at the website of HOPS (transmission operator) and ODS (distribution operator). The additional information is provided in separate files under the Documents section.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.04.3 - Actions have been carried out to promote the production and distribution of renewable energy sources.	2 - A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC.	Yes	National renewable energy action plan  <a href="http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2013/120_sjednica_vlade_republike_hrvatske/120_2">http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2013/120_sjednica_vlade_republike_hrvatske/120_2</a>	National renewable energy action plan has been adopted in 2013.  National 2020 targets in electricity transport and heating & cooling are set in the Chapter 3.2. of the NREAP. List of measures (provides in Chapter 4.1. of the NREAP) sets the responsibilities and target groups for each single measure; follow up description of measures provide more details on the cooperation mode. Measures to develop existing / mobilise new biomass resources are set in the Chapter 4.6 of the NREAP. Measures to fulfil the requirements included in the Articles 13 to 19 of Directive 2009/28/EC are set in the Chapter 4 of the NREAP. The NREAP follows the template provided by the European Commission.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	1 - A national or regional risk assessment with the following elements shall be in place:	No		The existing regulation - Law on Protection and Rescue (OG 174/04, 79/07, 38/09, 127/10) and Law on Protection from Natural Disasters (OG 73/97) state the responsible body to deal with catastrophes. Croatia currently has a Hazards assessment that was made on the national and local levels and has been sufficient for the protection and rescue needs in the RoC and for development of protection and rescue plans on all operational, tactical and strategic levels. In order to fulfil the conditionality and have a DRA so far we have developed and adopted additional legal documents such as the Government Decision on the procedure for development of the DRA and establishment of the main Risk Assessment Working Group and Guidelines for the preparation of the DRA. The additional information and explanation is provided in separate files under the Documents section.
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	2 - a description of the process, methodology, methods, and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;	Yes	Decision on the procedure for development of the Disaster Risk assessment and establishment of the main Risk Assessment Working Group (mRAWG).	On 28 November 2013 the Government of the Republic of Croatia adopted decision on the procedure for development of the Disaster Risk assessment and establishment of the main Risk Assessment Working Group

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p><a href="https://vlada.gov.hr/UserDocsImages/Sjednice/Arhiva//126.%20-%2017.pdf">https://vlada.gov.hr/UserDocsImages/Sjednice/Arhiva//126.%20-%2017.pdf</a></p> <p>Guidelines for the preparation of the DRA.  <a href="http://www.platforma.hr/drzavna-uprava-za-zastitu-i-spasavanje/smjernice-za-izradu-procjene-rizika-od-katastrofa.html">http://www.platforma.hr/drzavna-uprava-za-zastitu-i-spasavanje/smjernice-za-izradu-procjene-rizika-od-katastrofa.html</a></p> <p>Hazards assessment  (<a href="http://www.duzs.hr/download.aspx?f=dokumenti/Clanci/PROCJENA_web_20.03.2013..pdf">http://www.duzs.hr/download.aspx?f=dokumenti/Clanci/PROCJENA_web_20.03.2013..pdf</a>)</p>	<p>(mRAWG). Following that in June 2014 the mRAWG approved the Guidelines for the preparation of the DRA. The Guidelines (in chapter 3, 4 and 5) contain a generic Risk assessment and mapping methodology. The Guidelines were prepared by the NPRD on the basis of inputs from the stakeholders (members of the working groups) and Risk Assessment and Mapping Guidelines for Disaster Management. The Guidelines also contain the main risks which will be analysed as a priority risks in 2015 (Annex I of the Guidelines contains the list of 11 risks). The Guidelines also contain the list of specific main (priority) risk assessment working groups (established on the basis of mRAWG decision). The list of specific main (priority) risk assessment working groups is contained in the Annex I of the Guidelines.</p>
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	3 - a description of single-risk and multi-risk scenarios;	No		See explanation under Criterion 1 of the ex-ante conditionality TO 5.1.
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for	4 - taking into account, where appropriate, national climate change adaptation strategies.	No		See explanation under Criterion 1 of the ex-ante conditionality TO 5.1.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
disaster management taking into account climate change adaptation				
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	1 - In sectors supported by the ERDF, the Cohesion Fund and the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with the first indent of Article 9(1) of Directive 2000/60/EC having regard, where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected.	No		Water pricing reflecting the principle of cost recovery and “polluter pays” / “users pay” principle (Art 9 of WFD) is integrated in water management legislative framework. Concerning Art 9 within the economic analysis (part of RBMP) the initial calculation of the cost recovery rate has been done only for the public providers of WS and WW services at the level of financial costs. This is in accordance with provisions of Water act, where water services are defined as WS, WW collection / treatment. Without prejudice to the definition of water services, the economic analysis is planned to be made for every activity of water use that will calculate the recovery of costs of water services (including environmental and resource costs) within the limits of the national definition. The calculation will include O&M costs and cost of infrastructure and ERC. Those principles are already reflected in water pricing. The additional information is provided in separate file under the Document section.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	2 - The adoption of a river basin management plan for the river basin district consistent with Article 13 of Directive 2000/60/EC.	No		RBMP was adopted in June 2013. (OG, 82/13). Legal basis, scope, type and method of testing the water status in Croatia are regulated by the Water Act and accompanying bylaws. Croatian Waters are responsible for implementing the monitoring of water status and its Central Water Management Laboratory (WML) is the official laboratory for sampling and analysis. Besides WML, authorised collaborative laboratories also perform the activities of sampling /testing of waters for certain indicators or groups of parameters Monitoring network has been set up with monitoring points listed and mapped by RBMP, however, not covering all points parameters are monitored; complete and consistent classification system will be established by 2015. A list of environmental objectives for water bodies is part of RBMP (from June 2013), including candidates for derogations from the standard objective “good status by end-2015”. The additional information is provided in separate file under the Document section.
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste	1 - An implementation report as requested by Article 11(5) of Directive 2008/98/EC has been submitted to the	Yes	Act on Sustainable Waste Management (OG No 94/13)	Article 13 of the Act on Sustainable Waste Management determines the Croatian Environmental agency as

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	Commission on progress towards meeting the targets set out in Article 11 of Directive 2008/98/EC.		<a href="http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf">http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf</a>	competent body for coordination of reporting and reporting on implementation of Directive 2008/98/EC. Following that requirement an implementation report was submitted to the Commission (Eurostat) through the eDAMIS web portal on 22 October 2013 by the Croatian Environment Agency. The report contains data on the progress in accordance with the Article 11 requirements.
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	2 - The existence of one or more waste management plans as required under Article 28 of Directive 2008/98/EC;	Yes	<p>Waste Management Strategy of the Republic of Croatia (OG 130/05) <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/289920.html">http://narodne-novine.nn.hr/clanci/sluzbeni/289920.html</a></p> <p>Waste Act (OG 178/04) <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/313723.html">http://narodne-novine.nn.hr/clanci/sluzbeni/313723.html</a></p> <p>Information about the WM plans developed so far on all levels: <a href="http://www.azo.hr/PlanoviGospodarenjaOtpadom01">http://www.azo.hr/PlanoviGospodarenjaOtpadom01</a></p>	The Waste Management Plan (WMP) for the Republic of Croatia 2007-2015 and respective Waste Management Plans for each County are in force. All Plans are in line with the Waste Management Strategy and Waste Act. Articles 9, 10 and 11 of the Waste Act prescribe the content of the national, county and local WM plans respectively. All of these plans contain data required by the Directive. The WMPs will remain in force until the end of 2015, as the planning period was from 2007 up to 2015. The preparatory activities for development of new WMP for the next (six-year) planning period started. The content of the new plans is prescribed by the Art 17, 21, 22 of the Act on Sustainable

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			Act on Sustainable Waste Management (OG No 94/13) ( <a href="http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf">http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf</a> )	Waste Management (OG 94/13) The proscribed content includes all relevant and mandatory elements as required by the Article 28 of the Directive 2008/98/EC. The additional information is provided in separate file under the Document section.
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	3 - The existence of waste prevention programmes, as required under Article 29 of Directive 2008/98/EC;	No		The National Waste Prevention program will be prepared together with the new National Waste Management Plan for the period 2015-2021, as a constituent part of the new Plan. The content of the Waste Prevention program is prescribed by the Articles 17 and 18 of the Act on Sustainable Waste Management (OG No 94/13) ( <a href="http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf">http://www.mzoip.hr/doc/Propisi/Act_sustainable_waste_management.pdf</a> ) and it shall include waste prevention targets and measures required to attain waste minimisation or waste prevention targets. Technical assistance contract for the preparation of the national waste management plan and national waste prevention programme as NWMP constituent part was signed and TA project commenced in the April 2014.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	4 - Necessary measures to achieve the targets on preparation for re-use and recycling by 2020 consistent with Article 11(2) of Directive 2008/98/EC have been adopted.	No		Art 27 and 29 of the Act on Sustainable WM (OG No 94/13) prescribes municipal waste disposal charge as a new landfill tax which will be applied if amount of deposited waste exceeds the amount of waste allowed to be landfilled. Regulations regarding waste energy recovery and incineration are under development including consideration of introduction of incineration tariff policy. As for the paying schemes in accordance with the Art 33 of the Act the service provider shall charge the user of the public service a fee which is proportional to the amount of the waste submitted during the accounting period. Deposit system for certain type of waste is proscribed by Art 65 and 66 of Act. Art 35 of the Act provides all necessary measures for achievement of 2020 targets for re-use and recycling. The additional information is provided in separate file under the Document section.
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional	1 - The existence of a comprehensive transport plan or plans or framework or frameworks for transport investment which complies with legal requirements for strategic environmental assessment	No	Interim Transport Strategy <a href="http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf">http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf</a>	Criteria is partially fulfilled with the adoption of the Interim Transport Strategy (30 October 2014). Action Plan established to develop a finalized Strategy. Interim Transport Strategy

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	and sets out:			<a href="http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf">http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf</a>
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	2 - the contribution to the single European Transport Area consistent with Article 10 of Regulation (EU) No .../2013 of the European Parliament and of the Council, including priorities for investments in:	No		See above
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	3 - the core TEN-T network and the comprehensive network where investment from the ERDF and the Cohesion Fund is envisaged; and	No		See above
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance	4 - secondary connectivity;	No		See above

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.				
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	5 - a realistic and mature pipeline for projects for which support from the ERDF and the Cohesion Fund is envisaged;	Yes	Project pipeline included in „TO7 EAC Action plan“ attached to OPCC	
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	6 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.	No		Measures of appropriate level are not in place, Action Plan for capacity building of MA, IB and beneficiaries is established.
T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on	1 - The existence of a section on railway development within the transport plan or plans or framework or frameworks as set out above which	No	Interim Transport Strategy <a href="http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razv">http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razv</a>	Criteria is partially fulfilled with the adoption of the Interim Transport Strategy (30 October 2014). Project pipeline is also developed. Action Plan

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.	complies with legal requirements for strategic environmental assessment (SEA) and sets out a realistic and mature project pipeline (including a timetable and budgetary framework);		oja_VRH.pdf	is established to develop a finalized Strategy. Interim Transport Strategy: <a href="http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf">http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf</a>
T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.	2 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.	No		Measures of appropriate level are not in place, Action Plan for capacity building of MA, IB and beneficiaries is established..
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on	1 - The existence of a section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure within the transport plan or plans or framework or frameworks which:	No	Interim Transport Strategy <a href="http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf">http://www.mppi.hr/UserDocsImages/Strategija_prometnog_razvoja_VRH.pdf</a>	Criteria is partially fulfilled with the adoption of the Interim Transport Strategy (30 October 2014). Action Plan is established to develop a finalized Strategy. Interim Transport Strategy <a href="http://www.mppi.hr/UserDocsImages/">http://www.mppi.hr/UserDocsImages/</a>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.				Strategija_prometnog_razvoja_VRH.pdf
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.	2 - complies with legal requirements for strategic environmental assessment;	No		See above
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute	3 - sets out a realistic and mature project pipeline (including a timetable and budgetary framework);	Yes	Project pipeline included in „TO7 EAC Action plan“ attached to OPCC	

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.				
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.	4 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.	No		Measures of appropriate level are not in place, Action Plan for capacity building of MA, IB and beneficiaries is established.
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	1 - A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that:	Yes	Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020), Link: <a href="http://www.mspm.hr/djelokrug_aktivnosti/socijalna_skrb/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_2014_2020/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_republike_hrvatske_2014_2020">http://www.mspm.hr/djelokrug_aktivnosti/socijalna_skrb/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_2014_2020/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_republike_hrvatske_2014_2020</a>	Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020) - adopted by Government of Republic of Croatia in March 2014.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.</p>	<p>2 - provides a sufficient evidence base to develop policies for poverty reduction and monitor developments;</p>	<p>Yes</p>	<p>Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020)</p> <p>Data on employment- p21, , data on housing p27, data on social services, health services – p 32</p>	<p>The analysis of the Croatia’s context is based on, among others, the indicators for active inclusion in different policy areas (Data: p4-11, p21.27.32).</p> <p>The analysis covers all three stands of active inclusion – adequate income support (social welfare, family assistance, supports form pension and health system, etc.), labour market activation (analysis of population in risk of poverty according to their labour market situation, and analysis of the active labour market measures that have been implemented so far) and access to enabling services (analysis of needs for services in different sectors, such as social welfare sector, health, education sector on the basis of data analysis of needs for services and number of people at a disadvantage (e.g. people with disabilities, old and infirm people, children at risk of poverty). (Data on p. 8-12)</p>
<p>T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active</p>	<p>3 - contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform Programme), which</p>	<p>No</p>	<p>Strategy for fight against poverty and social exclusion in Republic of Croatia (2014 – 2020)</p> <p><a href="http://www.mspm.hr/djelokrug">http://www.mspm.hr/djelokrug</a></p>	<p>Measures for implementation of the Strategy for combating poverty and social exclusion will be developed within theg Implementation</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
inclusion of people excluded from the labour market in the light of the Employment guidelines.	includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including people from marginalised communities;		aktivnosti/socijalna_skrb/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_2014_2020/strategija_borbe_protiv_siromastva_i_socijalne_iskljucenosti_republike_hrvatske_2014_2020, page 16.	<p>Programme accompanying the strategy, which will cover 3-year periods until 2020.</p> <p>The Implementation Programme 2014-2016 will include concrete measures, bodies responsible for them, deadlines for fulfilment and indicators of achievement that will be in line with the active inclusion indicators for Europe 2020 and will contribute to the achievement of the national poverty and social inclusion target.</p> <p>MSPY is responsible for submitting report on implementation of measures to Government of Croatia until 30th June every year. Additional information and explanation is provided in the separate file annexed to this OP.</p>
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	4 - involves relevant stakeholders in combating poverty;	Yes	Decision on establishment of working group for development of Strategy for fight against poverty: Government decision, Class: 022-03713-04/112, Reg.no: 50301-04/04-13-2, 21 March 2013, can be obtained at: <a href="https://vlada.gov.hr/UserDocsImages//Sjednice/Arhiva//81.%20-%202022.pdf">https://vlada.gov.hr/UserDocsImages//Sjednice/Arhiva//81.%20-%202022.pdf</a>	<p>Working group was established for the design and preparation of the Strategy (Decision, Class: 022-03713-04/112, Reg.no: 50301-04/04-13-2, 21 March 2013, at: <a href="https://vlada.gov.hr/UserDocsImages//Sjednice/Arhiva//81.%20-%202022.pdf">https://vlada.gov.hr/UserDocsImages//Sjednice/Arhiva//81.%20-%202022.pdf</a></p> <p>It shows that all relevant stakeholders have been included in the design of the Strategy. These include relevant bodies from sector of education, health, social</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>0-%2022.pdf</p> <p>Call for public debate on draft strategy:  <a href="http://www.mspm.hr/novosti/vijesti/poziv_na_javnu_raspravu_o_prijedlogu_strategije_borbe_protiv_siromastva_i_socijalne_iskljucenosti_u_republici_hrvatskoj_2014_2020">http://www.mspm.hr/novosti/vijesti/poziv_na_javnu_raspravu_o_prijedlogu_strategije_borbe_protiv_siromastva_i_socijalne_iskljucenosti_u_republici_hrvatskoj_2014_2020</a></p>	<p>welfare, pension system, labour market, NGO sector , social partners .</p> <p>Also, Public debate on draft Strategy was organized in February 2014. Link on call for public debate: <a href="http://www.mspm.hr/novosti/vijesti/poziv_na_javnu_raspravu_o_prijedlogu_strategije_borbe_protiv_siromastva_i_socijalne_iskljucenosti_u_republici_hrvatskoj_2014_2020">http://www.mspm.hr/novosti/vijesti/poziv_na_javnu_raspravu_o_prijedlogu_strategije_borbe_protiv_siromastva_i_socijalne_iskljucenosti_u_republici_hrvatskoj_2014_2020</a></p>
<p>T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.</p>	<p>5 - depending on the identified needs, includes measures for the shift from institutional to community based care;</p>	<p>No</p>	<p>Strategy for Combating Poverty and Social Exclusion in Republic of Croatia (2014 – 2020)</p> <p>Plan of Deinstitutionalisation and Transformation of Social Welfare homes and Other Legal Entities Performing Social Welfare Activities in Republic of Croatia 2011 – 2016 (2018)</p> <p>Decision on Operational plan o transformation and deinstitutionalisation of Social Welfare homes and other legal</p>	<p>The Strategy for combating poverty and social exclusion (Chapter 4, p27-32) includes priorities related to broadening out of institution services for people at risk of poverty and social exclusion in order to support the goals and measures set out in national Plan of deinstitutionalisation and transformation of social welfare homes and other legal entities performing social welfare activities in Republic of Croatia 2011-2016 (2018).</p> <p>Based on Plan of deinstitutionalisation, MSPY and relevant stakeholders developed the Operational plan of transformation and deinsti. of social welfare homes and other legal entities performing social welfare activities in</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			entities performing social welfare activities in Republic of Croatia 2014 –2016	Republic of Croatia from 2014 – 2016 which was adopted by Minister’s decision on 18th June 2014. It contains concrete measures for implementing deinstitutionalisation process until 2016. Additional information and explanation is provided in the separate file annexed to this OP.
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	6 - Upon request and where justified, relevant stakeholders will be provided with support for submitting project applications and for implementing and managing the selected projects.	Yes	Government ordinance on internal organisation of Ministry of Social Policy and Youth (Official gazette 102/13):  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_08_102_2290.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_08_102_2290.html</a> , Articles: 28-32.	According to Government ordinance on internal organisation of MSPY, Service for EU Funds within MSPY is responsible for providing support to potential applicants / stakeholders of projects funded from EU structural funds in project preparation and implementation in the area of social inclusion an within the responsibility of MSPY.  Also, as IB level 1, MSPY organises information sessions for potential applicants for every grant scheme under responsibility of MSPY and published within EU structural funds. Furthermore, IB2 organises implementation sessions for grant beneficiaries in order to support the implementation and to provide information about financing, reporting, indicators etc.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	1 - A national or regional strategic policy framework for health is in place that contains:	No	<p>National Health Care Strategy 2012-2020:  <a href="http://www.zdravlje.hr/programi_i_projekti/nacionalne_strategije/nacionalna_strategija_zdravstva">http://www.zdravlje.hr/programi_i_projekti/nacionalne_strategije/nacionalna_strategija_zdravstva</a></p> <p>Draft National plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016 :  <a href="http://www.zdravlje.hr/zakonodavstvo/savjetovanje_sa_zainteresiranom_javnoscunacionalni_plan_razvoja_klinickih_sbolnickih_centara_klinickih_bolnica_klinika_i_opcih_bolnica_u_rh_2014_2016">http://www.zdravlje.hr/zakonodavstvo/savjetovanje_sa_zainteresiranom_javnoscunacionalni_plan_razvoja_klinickih_sbolnickih_centara_klinickih_bolnica_klinika_i_opcih_bolnica_u_rh_2014_2016</a></p>	National Health Care Strategy (NHCS) 2012-2020, adopted by the Croatian Government and Parliament, is the umbrella strategic document in the health sector. Draft National plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016 (NPDH) as a strategic document which refers to the development of hospitals and hospital care, as well as the principles of achieving cost-effectiveness in the hospital system, is in public discussion and needs to be adopted by the Parliament. The document will be accompanied by the National Registry of Hospitals which will include specific statistical data for every hospital in Croatia. Additional information and explanation is provided in the separate file annexed to this OP.
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	2 - coordinated measures to improve access to health services;	No	<p>National Health Care Strategy 2012-2020:  <a href="http://www.zdravlje.hr/programi_i_projekti/nacionalne_strategije/nacionalna_strategija_zdravstva">http://www.zdravlje.hr/programi_i_projekti/nacionalne_strategije/nacionalna_strategija_zdravstva</a></p> <p>draft National plan for the</p>	Measures related to the strengthening of the primary care, especially through equipping primary health care providers and development of primary care group practices are provided at the National Health Care Strategy. Regarding the territorial access: Network of primary health care

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016</p> <p><a href="http://www.zdravlje.hr/zakonodavstvo/savjetovanje_sa_zainteresiranom_javnoscu/nacionalni_plan_razvoja_klinickih_sbolnickih_centara_klinickih_bolnica_klinika_i_opcih_bolnica_u_rh_2014_2016">http://www.zdravlje.hr/zakonodavstvo/savjetovanje_sa_zainteresiranom_javnoscu/nacionalni_plan_razvoja_klinickih_sbolnickih_centara_klinickih_bolnica_klinika_i_opcih_bolnica_u_rh_2014_2016</a></p>	<p>providers, outlining where teams should be established as well as the current status. The constitution of EHC teams is defined by the Regulation on Minimal Requirements in Emergency Medicine (OG 42/11, Art 7,8,11,13). The network of Conjoint Emergency Medical Wards in hospitals will be a part of the Registry of Hospitals. -the Ordinance on Minimal Conditions for the Provision of Health Care Services sets the minimal standards for ensuring physical access to health care premises for people with disabilities and reduced mobility (Art 6 and 36 OG 61/2011). Additional information and explanation is provided in the separate file annexed to this OP.</p>
<p>T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.</p>	<p>3 - measures to stimulate efficiency in the health sector, through deployment of service delivery models and infrastructure;</p>	<p>No</p>	<p>National Health Care Strategy 2012-2020 (OG 116/12)</p> <p>Draft National plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016</p> <p>Startegic Plan for e-Health Development</p>	<p>The National Health Care Strategy 2012-2020 envisages measures regarding integration and cooperation in primary healthcare and public health such as establishment and equipping of group practices in primary health care; strengthening interdisciplinary cooperation in health care (English version, pp. 76-79) Reorganization of the hospital system through the increase in day hospital/day surgery is presented in National plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics,</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			Network of public health services in family medicine: <a href="http://www.hzzo.hr/zdravstveni-sustav-rh/zdravstvena-zastita-pokrivena-obveznim-zdravstvenim-osiguranjem/ugovoreni-sadrzaji-zdravstvene-zastite-u-rh">http://www.hzzo.hr/zdravstveni-sustav-rh/zdravstvena-zastita-pokrivena-obveznim-zdravstvenim-osiguranjem/ugovoreni-sadrzaji-zdravstvene-zastite-u-rh</a>	and General Hospitals in Republic of Croatia for the period 2014-2016 (pp 24-29). Cost-efficiency models as well as new services for users within the health system and towards patients are envisaged by the Strategic Plan for e-Health Development (draft). Primary care network, a document containing information on the existing network of primary health care providers and where they are lacking. Additional information and explanation is provided in the separate file annexed to this OP.
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	4 - a monitoring and review system.	No	Croatian National Health Care Strategy 2012-2020 (OG 116/12)  Draft National plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016	Systematic monitoring of the Strategy will be done through the the Monitoring Committee (MC) established by the Minister by means of ministerial decision.  The MC will have the task to set targets and progress indicators, monitor the implementation according to the indicators on a yearly basis, propose corrective actions if the progress is not sufficient and report to the Minister of Health on the progress of implementation of the National Health Care Strategy and the decisions on corrective measures. Monitoring of the NPHD: A working group will be established by the Ministry of Health to monitor progress of the

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				Implementation plans on the basis of the progress reports submitted by the hospitals. The working group will evaluate the progress reports and give recommendations and corrective measures to the Operative working group for the implementation of reforms and other fiscal consolidation measures. Additional information and explanation is provided in the separate file annexed to OP
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	5 - A Member State or region has adopted a framework outlining available budgetary resources on an indicative basis and a cost-effective concentration of resources on prioritised needs for health care.	Yes	<p>State budget of the Republic of Croatia for 2014, with projections for 2015 and 2016 (OG No. 152/13 and 39/14)  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_152_3213.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_152_3213.html</a>,  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/dodatni/429690.pdf">http://narodne-novine.nn.hr/clanci/sluzbeni/dodatni/429690.pdf</a>)</p> <p>Ministry of Health Strategic Plan for the Period 2014-2016</p>	<p>Short- and mid-term budgetary resources framework, outlining available resources for health care, is provided in the State Budget (OG 152/13, pp. 188-198, OG 38/14, pp. 134-140)  <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_152_3213.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_12_152_3213.html</a>, <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/dodatni/429690.pdf">http://narodne-novine.nn.hr/clanci/sluzbeni/dodatni/429690.pdf</a>)</p> <p>and the Ministry of Health Strategic Plan for the period 2014-2016, which is updated annually. Ministry of Health Strategic Plan for the period 2014-2016 defines general and specific goals in health sector and provides a link between those goals and the budgetary resources (Table 8, pp. 28-26),</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>demonstrating the concentration of the resources for achievement of defined goals.</p> <p><a href="http://www.zdravlje.hr/programi_i_projekti/nacionalne_strategije">http://www.zdravlje.hr/programi_i_projekti/nacionalne_strategije</a></p>
<p>T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.</p>	<p>1 - A national or regional strategic policy framework for tertiary education is in place with the following elements:</p>	<p>Yes</p>	<p>Strategy for Education, Science and Technology adopted by the Croatian Government</p> <p><a href="http://public.mzos.hr/Default.aspx">http://public.mzos.hr/Default.aspx</a></p>	<p>The new Strategy for Education, Science and Technology encompasses relevant interventions and measures in the following areas: Lifelong learning, Early Childhood Education and Care, Pre-tertiary Education, Higher Education as well as Adult Education. Identified measures are accompanied by the list of institution/s responsible for implementation of each measure as well as indicators of achievement. Further support for Strategy implementation, with deadlines for each measure, will be provided in the Action plan (measure 1.2. in section: Strategy implementation guidelines) that will be adopted 30 days after the formation of the national council for the implementation of the Strategy.</p>
<p>T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency</p>	<p>2 - where necessary, measures to increase participation and attainment that:</p>	<p>Yes</p>	<p>The Strategy for Education, Science, and Technology</p> <p><a href="http://public.mzos.hr/Default.aspx">http://public.mzos.hr/Default.aspx</a></p>	<p>The Strategy for Education, Science and Technology aims to introduce financing for underrepresented groups and support for disabled students (measures 6.1.2., 6.2.1. – 6.2.3., 6.4.1.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
within the limits of Article 165 TFEU.			px	- 6.4.7. in section: Higher education).
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	3 - increase higher education participation among low income groups and other under-represented groups with special regard to disadvantaged people, including people from marginalised communities;	Yes	<p>Strategy for Education, Science and Technology</p> <p>Socijalna i ekonomska slika studentskog života u Hrvatskoj: nacionalno izvješće istraživanja EUROSTUDENT za Hrvatsku, Institut za razvoj obrazovanja</p> <p>Zagreb 2011. Research available at:  <a href="http://public.mzos.hr/Default.aspx?sec=2254">http://public.mzos.hr/Default.aspx?sec=2254</a></p>	<p>The Strategy for Education, Science and Technology aims to introduce financing for underrepresented groups and support for disabled students (measures 6.1.2., 6.2.1. – 6.2.3., 6.4.1. - 6.4.7. in section: Higher education).</p> <p><a href="http://public.mzos.hr/Default.aspx">http://public.mzos.hr/Default.aspx</a>A national research was implemented related to socio-economic situation of student life in Croatia (EUROSTUDENT). Information related to social profile of students is available at p. 3 (Socijalna i ekonomska slika studentskog života u Hrvatskoj: nacionalno izvješće istraživanja EUROSTUDENT za Hrvatsku, Institut za razvoj obrazovanja).</p> <p>One of the goals of the Strategy for Education, Science and Technology is to provide a satisfactory spatial, information and communication resources of HE institutions. Ensuring necessary infrastructure will be one of the priorities in the field of higher education and science (measures 5.1.1, 5.1.2, 5.2.1, 5.2.2, 5.2.3, 5.2.4 and</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				5.2.5 in section: Higher education).
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	4 - reduce drop-out rates/improve completion rates;	Yes	<p>Social inclusion of Higher Education in Croatia by Thomas Farnell, Teo Matković, Karin Doolan, Mirna Cvitan, 2014 (Institute for Education Development)</p> <p>Report available at: <a href="http://www.iro.hr/hr/publikacije/socijalna-ukljucivost-visokog-obrazovanja-2014/">http://www.iro.hr/hr/publikacije/socijalna-ukljucivost-visokog-obrazovanja-2014/</a></p> <p>Strategy for Education, Science and Technology: <a href="http://public.mzos.hr/Default.aspx">http://public.mzos.hr/Default.aspx</a></p>	Preliminary analysis shows that the main reasons for dropping out are the lack of adequate competences when entering higher education, decline in student motivation or insufficient resources to study. The document on the performance analysis / drop-out is planned to be made until 30/09/2015. The three-year pilot of funding agreements (programme contracts) were concluded in 2012 in consultation with all public higher education institutions which defined shortening of the period of studying as one of the five main goals. In 2015 it is planned to sign the new funding agreements, in which the emphasis will also be on the strategic priority of reducing the time of study. Measure 1.2.6. of the Strategy for Education, Science and Technology (section: Higher education) aims to encourage completion of studies.
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency	5 - encourage innovative content and programme design;	Yes	<p>Strategy for Education, Science and Technology</p> <p>Croatian Qualifications</p>	Based on Croatian Qualifications Framework Act, quality assurance and development in science and higher education via procedures of initial accreditation, re-accreditation,

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
within the limits of Article 165 TFEU.			<p>Framework Act (OG, 22/2013)</p> <p>2013 Economic Programme of Croatia:  <a href="http://www.mfin.hr/adminmax/docs/2013%20Economic%20Programme%20of%20Croatia.pdf">http://www.mfin.hr/adminmax/docs/2013%20Economic%20Programme%20of%20Croatia.pdf</a></p> <p>National Reform Programme 2014.</p> <p>Act on Quality Assurance in Science and Higher Education (OG 45/09).</p>	<p>thematic evaluation and audit status, activity and organisation of the Agency for Science and Higher Education as a public institution of the Republic of Croatia tasked with quality assurance and development in science and higher education, and role of other institutions in the Republic of Croatia tasked with quality assurance and development in science and higher education (Croatian Qualifications Framework Act (OG, 22/2013)).</p> <p>By implementing procedures and implementation steps under the CROQF as envisaged by the National Reform Programme (page 29).</p> <p>2013</p> <p>The Strategy for Education, Science and Technology (section: Higher education) also envisages the analysis of existing course programmes (measure 1.1.1.) and connection with labour market (measures 1.2.1., 1.2.4., 1.2.5. and 2.3.1).</p>
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	6 - measures to increase employability and entrepreneurship that:	Yes	The Strategy for Education, Science, and Technology was adopted by the Croatian Government at the beginning of July 2014: <a href="http://public.mzos.hr/Defa">http://public.mzos.hr/Defa</a>	<p>This particular issue will be addressed through the implementation of measures in the Strategy for Education, Science and Technology (section: Higher education) such as:</p> <ul style="list-style-type: none"> <li>- analysing and improvement of</li> </ul>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>ult.aspx.</p> <p>Data related to accreditation of study programmes available at:<a href="https://www.azvo.hr/index.php/en/vrednovanja/postupci-vrednovanja-u-visokomobrazovanju/inicijalna-akreditacijastudijskih-programa">https://www.azvo.hr/index.php/en/vrednovanja/postupci-vrednovanja-u-visokomobrazovanju/inicijalna-akreditacijastudijskih-programa</a></p>	<p>study programmes (measures 1.1.1., 1.2.1. and 1.2.2.) while taking into account realistic labour market needs (measure 2.3.1.);</p> <ul style="list-style-type: none"> <li>- ensuring integration and bigger scope of transversal competences in study programmes (measures 1.2.1. and 1.2.2.);</li> <li>- providing students the support in their academic work and professional guidance (measures 1.2.3., 1.2.7., 2.7.1.);</li> <li>- improvement of student standard placing focus on social dimension of studying (measures under Objective 6);</li> <li>- internationalization of higher education through encouraging mobility (measures 7.1.1.-7.1.7.), programmes in foreign languages (measure 7.2.1.) and networking with foreign institutions of higher education (measures 7.3.1.-7.3.3. and 7.4.1).</li> </ul>
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency	7 - encourage the development of "transversal skills", including entrepreneurship in relevant higher education programmes;	Yes	The Strategy for Education, Science, and Technology: <a href="http://public.mzos.hr/Default.aspx">http://public.mzos.hr/Default.aspx</a>	This particular issue will be addressed through the implementation of the measures in Strategy for Education, Science and Technology such as: improvement of study programmes by consistent implementation of Bologna

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
within the limits of Article 165 TFEU.			Data related to accreditation of study programmes available at: <a href="https://www.azvo.hr/index.php/en/vrednovanja/postupci-vrednovanja-u-visokom-obrazovanju/inicijalna-akreditacija-studijskih-programa">https://www.azvo.hr/index.php/en/vrednovanja/postupci-vrednovanja-u-visokom-obrazovanju/inicijalna-akreditacija-studijskih-programa</a>	process, harmonizing the number and profile of study programmes in line with labour market needs (ensuring integration and bigger scope of transversal competences in study programmes), improvement of student standard placing focus on social dimension of studying; internationalization of higher education. More detailed measures are listed in the Strategy for Education, Science and Technology – Section: Higher Education (measures 1.1.1, 1.2.1. and 1.2.2.) .
T.10.2 - Higher education: the existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	8 - reduce gender differences in terms of academic and vocational choices.	Yes	Socijalna i ekonomska slika studentskog života u Hrvatskoj: nacionalno izvješće istraživanja EUROSTUDENT za Hrvatsku, Institut za razvoj obrazovanja, Zagreb 2011. Research available at: <a href="http://public.mzos.hr/Default.aspx?sec=2254">http://public.mzos.hr/Default.aspx?sec=2254</a>	Based Eurostudent report, female students make up 56% of all tertiary level students, whereas male students make up 44%. In this respect particular measures are foreseen on the basis of criteria of socio-economic status and other criteria relevant for vulnerable groups.  Free education at higher education public institutions has been ensured for successful and regular students in the 2012/2013, 2013/2014 and 2014/2015 academic years. According to the Constitution (Article 66), in the Republic of Croatia, everyone shall have access to education under equal conditions and in accordance with his/her aptitudes. Gender imbalances

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				are currently not seen as specific issue to be addressed due to the fact that number of female students in higher education is higher than male students. Therefore, it is important to increase number of male students in higher education and not prevent them to enter STEM fields as this is one of the priority areas.
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework is in place for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU which includes measures for the following:	No	The Strategy for Education, Science, and Technology: <a href="http://public.mzos.hr/Default.aspx">http://public.mzos.hr/Default.aspx</a>	Further steps in implementation of VET reform are envisaged by the measures of the new Strategy for Education, Science and Technology. The reform will be implemented by using the procedures/principles of CROQF and quality assurance will be provided through ways of monitoring and permanent evaluation envisaged by the VET Act (Article 9). In that way the quality of system and services and relevance in relation to labour market / economy needs will be ensured. SEST envisages: development and implementation of new curricula (measure 2.4.18), development of national competence standards for teaching professions (measure 4.1.1); conducting analysis of VET programmes taking into account regional developmental needs (measure 7.1.6); external evaluation (validation) of qualifications obtained within

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>regular VET system (measure 8.6.5).Further elaboration of VET system reform will be additionally tackled within the Programme for Development of VET System.</p> <p>□</p>
<p>T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.</p>	<p>2 - to improve the labour market relevance of VET systems in close cooperation with relevant stakeholders including through mechanisms for skills anticipation, adaptation of curricula and the strengthening of work-based learning provision in its different forms;</p>	<p>No</p>	<p>Vocational Education and Training Act (OG 30/09)</p> <p>The Croatian Qualifications Framework Act (OG, 22/2013)</p> <p>Youth Guarantee Implementation Plan, April 2014 (YGIP) <a href="http://www.mrms.hr/wp-content/uploads/2014/04/implementation-plan-yg.pdf">http://www.mrms.hr/wp-content/uploads/2014/04/implementation-plan-yg.pdf</a></p>	<p>With regard to the provisions of the relevant legislation in terms of partnership with relevant stakeholders based on provisions of Art. 14 of VET Act National VET Council has 17 members –representatives of various national stakeholder organizations.In the CROQF Act, Article 9 (OG 22/2013), there are different bodies and stakeholders listed that are involved in the development and implementation of the CROQF: The National Council for Development of Human Potential, the ministry responsible for education and science, the ministry responsible for labour, the ministry responsible for regional development and Sector councils. With regard to the skills forecasting in 2014, all information about competences required for performing work on specific jobs will be collected by surveying employers to be implemented in the the Q1 2015 while part of short term measures targeting different target groups in order to increase their and chances at</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				the labour market will be implemented under YGIP.
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	3 - to increase the quality and attractiveness of VET including through establishing a national approach for quality assurance for VET (for example in line with the, European Quality Assurance Reference Framework for Vocational Education and Training) and implementing the transparency and recognition tools, for example European Credit system for Vocational Education and Training. (ECVET).	No	<p>Vocational Education and Training Act (OG 30/09)</p> <p>E-kvaliteta tool (VET). Available at: <a href="http://e-kvaliteta.asoo.hr/pages/public/lo gin.xhtml">http://e-kvaliteta.asoo.hr/pages/public/lo gin.xhtml</a></p> <p>Strategy for Education, Science, and Technology: <a href="http://public.mzos.hr/Default.aspx">http://public.mzos.hr/Default.aspx</a></p> <p>Youth Guarantee Implementation Plan: <a href="http://www.mrms.hr/wp-content/uploads/2014/04/implementation-plan-yg.pdf">http://www.mrms.hr/wp-content/uploads/2014/04/implementation-plan-yg.pdf</a></p>	Strategy for Education, Science and Technology, as it encourages the establishment of a special unit for assuring quality at all education levels (measure 8.3.1. in section: Early, preschool, primary and secondary education). Establishment of centres of competence (measures 7.1.11., 7.1.12. and 7.1.13. in section: Early, preschool, primary and secondary education) will also contribute to quality assurance, as well as promotion of excellence in VET. The criterion related to increasing the attractiveness of VET is partially tackled within measures of YGIP but additional effort are required and will be ensured within the separate strategic document for VET. However, the need to conduct more specific Program for development of VET system is evident, as acknowledged in the Strategy (measure 2.4.16. in section: Early, preschool, primary and secondary education). The Program, planned to be adopted by the end of 2015, will additionally tackle the issue of further development of VET QA.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.	No		The Anti-Discrimination Act has introduced the Ombudsman as the national equality body. Accordingly, Article 12 of the Act defines the activities of central body responsible for the suppression of discrimination. The Ombudsman institution is willing to provide support and advice on equality issues in OPCC-related activities upon request of relevant authorities.
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti discrimination law and policy.	No		National Programme for Protection and Promotion of Human Rights for the period 2013 - 2016 has defined suppression of discrimination as a priority area and has identified a measure number 8.1 which refers to education and trainings on national and EU anti-discrimination and policy  ( <a href="http://www.uljppnm.vlada.hr/images/nap_2013-2016.pdf">http://www.uljppnm.vlada.hr/images/nap_2013-2016.pdf</a> ). As a result, the Office for Human Rights and Rights of National Minorities in cooperation with Ombudswoman has developed a programme which is to be implemented in cooperation with the National School for Public Administration. Furthermore, the new Anti-discrimination Plan to be developed by OHRRNM will further

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>elaborate these measures. The new Antidiscrimination Plan refers to 2015-2020. The Working Group for Development of the Plan was set up in 09/2014, including representatives of state administration bodies, independent institutions and NGOs. Following the public consultation process the Plan is expected to be adopted by 2nd Q of 2015.</p>
<p>G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</p>	<p>1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund-related activities.</p>	<p>Yes</p>	<p>Gender Equality Act (<a href="http://www.ured-ravnopravnost.hr/site/hr/the-act-on-gender-equality-nn-8208.html">http://www.ured-ravnopravnost.hr/site/hr/the-act-on-gender-equality-nn-8208.html</a>)</p> <p>National Policy for Gender Equality 2011-2015 (<a href="http://www.ured-ravnopravnost.hr/site/hr/nacionalni-dokumenti/politike-planovi-programi-strategije/nacionalna-politika-2011-2015.html">http://www.ured-ravnopravnost.hr/site/hr/nacionalni-dokumenti/politike-planovi-programi-strategije/nacionalna-politika-2011-2015.html</a>)</p>	<p>The Gender Equality Act has introduced the Ombudsman for gender equality as the national equality body and regulates the work of the Governmental Office for gender equality.</p> <p>Chapter IX of the Act, and chapter 7 of the National policy for Gender Equality define legal and institutional framework for involvement of gender equality bodies and sets up national gender equality mechanisms such as educational activities, public events, establishment of commissions for gender equality on regional/local level, public campaigns etc.</p> <p>New national strategy to be developed for the period 2016-2020.</p> <p>Representative of the Governmental Office for gender equality is a member</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				of the Monitoring Committee.
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.	No		<p>Gender Equality Act– Article 3 (1) stipulates obligation of the public administration to mainstream gender in all activities, decisions and projects, and perform gender impact assessment.</p> <p>-Article 3 (2) is related to obligation of all administration bodies to provide education and training in gender equality for their staff.</p> <p>-National Policy for Gender Equality 2011-2015. (OG NO. 88/11), measure 7.1.1. obliges all public servants to attend training seminars for gender equality. New National Policy for Gender Equality (2016-2020) will continue similar actions.</p> <p>-Trainings in basic concepts, including the legal framework for gender equality, are provided by the Office for gender equality at the National School for Public Administration.</p> <p>Tailored-made training for staff involved in the implementation of the ESI Funds has not been developed yet as explained in Action Plan..</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.	No		National Strategy of Equalization of Opportunities for Persons with Disabilities was adopted in 2007 further improving protection of rights of persons with disabilities and children with development disabilities, and enable their equal participation in all aspects of the society. Strategy includes measures, bodies responsible for the protection of rights of persons with disabilities, activities, deadlines, indicators and financial sources. Through a project jointly implemented by MSPY and UNDP Croatia (2009-2012) a Framework was developed for monitoring implementation of the Strategy in order to improve overall coordination, implementation, monitoring and reporting on the Strategy and UNCRPD. For the period 2016-2020, a new National strategy and corresponding operational plan will be adopted which will outline priorities and measures, activities, indicators, responsible and implementing institutions, financial allocations and deadlines.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy,	No		The Operational plan will include the activities of continuous, specific and thematic trainings and other forms of information dissemination regarding the UNCRPD targeting state and public

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
field of ESI Funds in accordance with Council Decision 2010/48/EC.	including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.			bodies, involved in the implementation of Operational plan as well as management and control of ESI Funds.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	3 - Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	No		<p>The Ministry of Social Policy and Youth (MSPY) is in charge for monitoring of the implementation of the National strategy and the Operational plan (when adopted), which also include obligations in relation to Article 9 of the UNCRPD.</p> <p>OPCC will include the activities which will be co-financed through ESI funds as planned by each responsible and implementing body, that will annually report to the MSPY regarding the fulfillment of their obligations, including obligations in relation to Article 9 of the UNCRPD. The MSPY will refer to relevant EU and national legislation when accessing the fulfillment of their obligations.</p>
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	1 - Arrangements for the effective application of Union public procurement rules through appropriate mechanisms.	Yes	<ul style="list-style-type: none"> <li>• Public Procurement Act (OG 90/11, 83/13,143/13, 13/14) – see Article 2.</li> <li>• Act on the State Commission for Supervision over Public</li> </ul>	<p>Institutional framework for the efficient implementation of public procurement is set up.</p> <p>Procurement System controls implementation of PP Act (ex post control, this doesn't stop the PP</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
			<p>Procurement Procedure (OG 18/13, 127/13) Art 2.</p> <ul style="list-style-type: none"> <li>• Act on Public Private Partnership (OG 78/12)</li> <li>• Regulation on the methodology for drawing up and handling tender documents and tenders (OG 10/12)</li> <li>• Regulation on public procurement notices (OG 10/12)</li> </ul> <p>Links:</p> <p><a href="http://www.javnanabava.hr/default.aspx?id=3414">http://www.javnanabava.hr/default.aspx?id=3414</a></p> <p><a href="http://www.javnanabava.hr/default.aspx?id=3725">http://www.javnanabava.hr/default.aspx?id=3725</a></p>	<p>procedure). Any legal or natural person (even anonymously) or state body can lodge the procedure. If irregularities are found Ministry of Economy can start a misdemeanour procedure before competent misdemeanour court. Also, CA/CE have an obligation to publish their public procurement plans for procurements (when the estimated value is equal to or higher than HRK 20.000) and contract registers on their websites and send links to Ministry of Economy which publishes them on Public Procurement Portal – <a href="http://www.javnanabava.hr">www.javnanabava.hr</a></p> <p>CA/CE in open procedure (89% of all conducted procedures in 2012) must publish tender documents electronically in EPPC.</p>
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of	2 - Arrangements which ensure transparent contract award procedures.	Yes	• Public Procurement Act (OG 90/11, 83/13,	Public Procurement Act (PP Act) proscribes that all public procurement notices for procurement the estimated value of which is above national

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the ESI Funds.			<p>143/13, 13/14) – see Article 2.</p> <ul style="list-style-type: none"> <li>• Act on the State Commission for Supervision over Public Procurement Procedure (OG 18/13, 127/13) –</li> </ul> <p>See Article 2.</p> <ul style="list-style-type: none"> <li>• Act on Public Private Partnership (OG 78/12)</li> <li>• Regulation on the methodology for drawing up and handling tender documents and tenders (OG 10/12)</li> </ul> <p>Links:</p> <p><a href="http://www.javnanabava.hr/default.aspx?id=3414">http://www.javnanabava.hr/default.aspx?id=3414</a></p> <p><a href="http://www.javnanabava.hr/default.aspx?id=3725">http://www.javnanabava.hr/default.aspx?id=3725</a></p>	<p>threshold is published in the Electronic Public Procurement Classifieds of the Republic of Croatia (EPPC) - <a href="https://eojn.nn.hr/Oglasnik/">https://eojn.nn.hr/Oglasnik/</a></p> <p>Croatian national threshold is set to HRK 200.000 for goods and services and HRK 500.000 for works. Below this threshold, PP Act doesn't apply but every CA/CE must have their internal rules on procurement issues.</p> <p>Basically, only difference in public procurement procedures between (above) national thresholds and (below) EU thresholds are in shorter time limits for the receipt of tenders and lodging an appeal.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	3 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	No		PP training curriculum was already organised in 2007-2013. Appropriate training for staff involved in the application of EU PP rules will be further developed. Action plan for criteria fulfilment created.
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	4 - Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	No		Administrative capacity to be assessed and developed as necessary for the 2014-2020 period, given the increased amount of Funds. Appropriate arrangements under preparation. Action plan for criteria fulfilment created
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Arrangements for the effective application of Union State aid rules.	No		The arrangements for the effective application of Union state aid rules are in place. They should be completed with the setting in place of a unique electronic register. Action plan for criteria fulfilment created
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	2 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	No		A series of training modules, obligatory for all staff involved in EU funds management is developed for 2007-2013 period. A training strategy on SA for the staff of the grant aid grantors and the ESIF management and control bodies will be adopted. An operational network of SA experts and coordinators will be set-up. An action plan for criteria fulfilment created

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	3 - Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	No		Current administrative capacity within the Central body should be assessed and strengthened as necessary, in line with the increased amount of ESI Funds. Action plan for criteria fulfilment created
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	1 - Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA).	No		<p>The Directive 2011/92/EU (EIA) and Directive 2001/42/EC (SEA) have been transposed through following legalisation:</p> <p>Environmental Protection Act (OG 80/13)</p> <p>Environmental Impact Assessment Ordinance (OG 61/14)</p> <p>Regulation on strategic environmental assessment of plans and programmes (OG 64/08)</p> <p>However EU Pilots on EIA and SEA directives were opened requiring additional explanation on several provisions of the transposing legislation in terms of non-conformity. Croatian authorities developed Action plan in order to address these provisions. These potential non-conformity issues are / will be taken into consideration for the projects covered by the OP via temporary solution by setting the requirement for the Competent Authority to assess and</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				issue an opinion whether for the project in question the EIA/SEA requirements were correctly applied. The additional information is provided in separate files under the Documents.
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	2 - Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	Yes	<p>IPA 2010 project “Strengthening capacities for SEA at regional and local level”  <a href="http://www.seahrvatska.net/">http://www.seahrvatska.net/</a></p> <p>Website of the MENP concerning information on SEA  <a href="http://www.mzoip.hr/default.aspx?id=9783">http://www.mzoip.hr/default.aspx?id=9783</a>;  <a href="http://www.mzoip.hr/default.aspx?id=10066">http://www.mzoip.hr/default.aspx?id=10066</a></p> <p>First regional conference on EIA  <a href="http://www.huszpo-konferencija.com/en/">http://www.huszpo-konferencija.com/en/</a></p> <p>Project “Dialogue with civil society for a better environment”  <a href="http://aarhus.zelena-istra.hr/node/1">http://aarhus.zelena-istra.hr/node/1</a></p>	Within the IPA 2010 TA project “Strengthening capacities for SEA at regional and local level” MENP and State Institute for Nature Protection created pool of 10 trainers who will be trainers in future SEA workshops. The project organized on-job SEA trainings for county representatives and other stakeholders (e.g. local NGOs). Project website also serves as a tool for dissemination of information on SEA. Within the CARDS 2003 “EIA Guidelines and Training”, a training programme for competent bodies and persons authorised to produce environmental impact studies was carried out. Also “Train the Trainers” was also carried out for the employees of the Ministry and administrative bodies in the county. In Croatia, the instrument of EIA is an integral part of a number of graduate, postgraduate specialist and doctoral studies. Website of the MENP provides complete information concerning SEA / EIA. The additional information and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				explanation is provided in separate files under the Documents section.
G.6 - The existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	3 - Arrangements to ensure sufficient administrative capacity.	Yes	<p>IPA 2010 technical assistance project “Strengthening capacities for SEA at regional and local level”  <a href="http://www.seahrvatska.net/">http://www.seahrvatska.net/</a></p> <p>Website of the Ministry of Environmental and Nature Protection (MENP) concerning information on SEA  <a href="http://www.mzoip.hr/default.aspx?id=9783">http://www.mzoip.hr/default.aspx?id=9783</a></p> <p><a href="http://www.mzoip.hr/default.aspx?id=10066">http://www.mzoip.hr/default.aspx?id=10066</a></p>	<p>Within MENP there is a specialized Sector of Environmental Assessment and Industrial Pollution consisting of two specialized departments for environmental assessment, namely Service for Environmental Assessment and the Department for Strategic Environmental Assessment that have adequate administrative capacity to give practical and legal advice on applicability of the EIA/SEA Directives which are being continuously strengthened.</p> <p>Within the CARDS 2003 “EIA Guidelines and Training”, a training programme for competent bodies at the national and regional level and persons authorised to produce environmental impact studies was carried out. Also “Train the Trainers” was carried out for the employees of the MENP and administrative bodies in the county. At MENP website all guidelines are available to the authorities applying EIA/SEA. Website of the IPA 2010 project serves as a tool for dissemination of information. The additional information is provided in</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				separate files under the Documents.
<p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p>	<p>1 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation.</p>	Yes	<p>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</p> <p>Link:</p> <ul style="list-style-type: none"> <li>• <a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_69_1365.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_69_1365.html</a></li> </ul>	<p>The Programme of Statistical Surveys of the Republic of Croatia 2013 – 2017 contains statistics required by the <i>acquis communautaire</i> and other statistics on the national level. All these statistics meet the criteria, ie. arrangements for timely collection and aggregation of statistical data with the identification of sources and mechanisms to ensure statistical validation.</p>
<p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p>	<p>2 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data.</p>	Yes	<p>Programme of Statistical Surveys of the Republic of Croatia 2013 - 2017 (OG No. 69/13)</p> <p>Link:</p> <p><a href="http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_69_1365.html">http://narodne-novine.nn.hr/clanci/sluzbeni/2013_06_69_1365.html</a></p>	<p>The Programme of Statistical Surveys of the Republic of Croatia 2013 – 2017 contains statistics required by the <i>acquis communautaire</i> and other statistics on the national level. All these statistics meet the criteria, ie. arrangements for timely collection and aggregation of statistical data with the arrangements for publication and public availability of aggregated data.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
<p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p>	<p>3 - An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme.</p>	<p>Yes</p>	<p>OP section 2. OP ex-ante evaluation.</p>	<p>A full system of results indicators, with corresponding baselines and targets is set out in the OP.</p> <p>The Managing authority confirms that relevant and sufficient information is provided as regards this set of these result indicators and the information they provide as regards the selection of policy actions supported by the ESIF contributions.</p> <p>This assessment is confirmed by the OP ex-ante evaluation.</p>
<p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p>	<p>4 - An effective system of result indicators including: the establishment of targets for these indicators.</p>	<p>Yes</p>	<p>OP section 2. OP ex-ante evaluation.</p>	<p>A full system of results indicators, with corresponding baselines and targets is set out in the OP.</p> <p>The assessment regarding the relevance of the proposed targets is confirmed by the OP ex-ante evaluation.</p>
<p>G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions,</p>	<p>5 - An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy,</p>	<p>Yes</p>	<p>OP section 2. OP ex-ante evaluation.</p>	<p>A full system of results indicators, with corresponding baselines and targets is set out in the OP.</p> <p>The Managing authority confirms that each indicator is consistent with the following requisites: robustness and</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	timely collection of data.			statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data.  This assessment is confirmed by the OP ex-ante evaluation.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	6 - Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.	Yes	OP section 2.  OP ex-ante evaluation.	A full system of results indicators, with corresponding baselines and targets is set out in the OP.  The Managing authority confirms that procedures are in place to ensure that all operations financed by the programme adopt an effective system of indicators.

## 9.2 Description of actions to fulfil ex-ante conditionalities, responsible bodies and timetable

**Table 25: Actions to fulfil applicable general ex-ante conditionalities**

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
G.1 - The existence of administrative capacity for the implementation and application of	1 - Arrangements in accordance with the institutional and legal framework of Member States	1.Managing authority will include bodies responsible for the promotion of antidiscrimination and equal opportunities in the OPCC Monitoring Committee.	31-Dec-2015	Ministry of Regional Development and EU Funds

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
Union anti-discrimination law and policy in the field of ESI Funds.	for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.	<p>Namely, representatives of the Office for Gender Equality and the Office for Human Rights and Rights of National Minorities, as well as representatives of ombudsmen in Croatia, and representatives of civil society will be included in the MC.</p> <p>2. Plan for consulting bodies in charge of anti-discrimination and Plan indicating steps to facilitate active involvement of national equality bodies will be elaborated through measures of the new Anti-discrimination plan</p> <p>3. Appointment of antidiscrimination coordinator (monitoring and enforcement) at the level of Managing Authority and Intermediate Bodies with the task of providing support on antidiscrimination issues related to ESI Funds, with defined procedures.</p> <p>4. Continuation of practice established in 2007-2013 perspective for addressing horizontal antidiscrimination issues in project application</p>		
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti-discrimination law and policy.	<p>National Programme for Protection and Promotion of Human Rights for the period 2013-2016 has defined suppression of discrimination as a priority area and has identified a measure number 8.1 which refers to education and trainings on national and EU anti-discrimination and policy. The measure has resulted in development of the programme between Office for Human Rights and Rights of National Minorities and Ombudsman institution. Together with the National School for Public Administration a yearly plan is agreed.</p> <p>Office for Human Rights and Rights of National Minorities in cooperation with the National School for Public Administration and bodies responsible for management and control of ESI funds will develop</p>	31-Dec-2016	Office for Human Rights and Rights of National Minorities is responsible for development of the Anti-discrimination Plan  Ministry of Regional Development and EU Funds

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<p>training programmes for staff involved in the implementation of ESI funds (MA, IB, CA, AA) at all relevant levels. Training programmes will be envisaged in the new Anti-discrimination Plan.</p> <p>Training programme will be implemented by the Managing Authority.</p> <p>Beyond 2017 training progra</p>		
<p>G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</p>	<p>2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.</p>	<p>Plan needs to be developed for training on gender mainstreaming for staff involved in the implementation of the ESI Funds (MA, IB, CA, AA) at all relevant levels.</p> <p>Staff to be trained on gender mainstreaming, learning process monitored and evaluated. Training activities will be developed and implemented in coordination with the National School for Public Administration, Ministry of Labour and Pension System and the Office for Gender Equality, implemented by the Managing Authority.</p> <p>Staff to be trained on gender mainstreaming, learning process monitored and evaluated. Expertise needs to be developed to monitor and evaluate interventions from the gender sensitive perspective.</p>	<p>31-Dec-2016</p>	<p>Ministry of Labour and Pension System</p> <p>Ministry of Regional Development and EU Funds</p>
<p>G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.</p>	<p>1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of</p>	<p>Managing authority will include representatives of bodies and NGO's in charge of protection of rights of persons with disabilities in the OPCC Monitoring Committee. Namely, representatives of Ministry of Social Policy and Youth, Ombudsman for Persons with Disabilities, but also representatives of civil society will be included.</p> <p>Ministry of Social Policy and youth, as body in charge for policies aimed toward persons with disabilities, is part of</p>	<p>31-Dec-2015</p>	<p>Ministry of Regional Development and EU funds</p> <p>Ministry of Social Policy and Youth coordinates the preparation of the Operational plan, but other state bodies (including the MSPY) are responsible for</p>

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
	persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.	the operational structure for OP CC 2014-2020.		the implementation of measures under their jurisdiction.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.	Ministry of Social Policy and Youth in cooperation with the National School for Public Administration and Managing Authorities for ESI funds will develop training programmes for staff of the ESI funds' authorities. Training programmes will be envisaged in the Operational plan of the implementation of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2016 – 2020  Training will be implemented by the Managing Authority.	31-Dec-2015	Ministry of Social Policy and Youth coordinates the preparation of the Operational plan  Ministry of Regional Development and EU Funds
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	3 - Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	Managing authority will include bodies in charge of protection of rights of persons with disabilities in Monitoring Committees for ESI OPs. Namely, representatives of Ministry of Social Policy and Youth, Ombudsman for Persons with Disabilities, but also representatives of civil society will be included.  Ministry of Social Policy and Youth, as body in charge for policies aimed toward persons with disabilities, is part of the operational structure for OP CC 2014-2020, and therefore will provide sectoral monitoring.	31-Dec-2015	Ministry of Regional Development and EU funds  Ministry of Social Policy and Youth
G.4 - The existence of arrangements for the effective application of Union public	3 - Arrangements for training and dissemination of information for staff involved in	1. Delivery of a new PP training plan for the ESIF bodies staff 2014-2020 Setting up an operational network of PP experts and coordinators (30 June 2015). Needs analysis	30-Jun-2015	Ministry of Regional Development and EU Funds

<b>General ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
procurement law in the field of the ESI Funds.	the implementation of the ESI funds.	a): questionnaires to ESIF bodies staff (October 2014); Needs analysis b): analysis (in cooperation with the Ministry of Economy) (December 2014); Training plan delivered (June 2015). 2. Setting up an operational network of PP experts and coordinators (March 2015)		
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	4 - Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	New PP experts recruited in the central body for PP, to ensure an effective and regular PP application in the ESIF programmes and projects. Workload analysis for 2014-2020 (December 2014); Recruitment plan (February 2015); launching recruitment procedures (if necessary) (March 2015)	30-Nov-2015	Ministry of Economy
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Arrangements for the effective application of Union State aid rules.	Set up of a central State aid electronic register in the State aid central body connecting all granting authorities and introduction of an accompanying evaluation system	01-Jul-2016	Ministry of Finance
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	2 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	1. Preparing a training strategy/plan related to State aid, Set up of the operational network of State aid experts and coordinators (30 June 2015). Targeted staff consulted through training needs questionnaire (October 2014); Completion of the training needs analysis (December 2014). 2. Set up of the operational network of State aid experts and coordinators (February 2015)	30-Jun-2015	Ministry of Finance and Ministry of Regional Development and EU Funds
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	3 - Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	Needed supplementary State aid experts recruited in the Ministry of Finance (State Aid Unit). Adoption of the Recruitment Plan for the national authorities involved in the Management of the ESIF (including Ministry of Finance) (October 2014)	30-Sep-2015	Ministry of Finance
G.6 - The existence of	1 - Arrangements for the	Instruction to all Managing Authorities and Intermediate	30-Sep-2015	Ministry of Environmental

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
arrangements for the effective application of Union environmental legislation related to EIA and SEA.	effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA).	<p>bodies containing requirement to include obligation of the project beneficiaries to obtain opinion of the Competent Authority on whether the EIA/SEA requirements were correctly applied.</p> <p>Additional analysis of legislative shortcomings with identification of steps for full alignment. Analysis will take the place within the EU Pilot procedure.</p> <p>Drafting /consultation on proposed amendments /legislation</p> <p>Adoption of amendments/legislation fully aligned with SEA/EIA Directives i.e. which will rectify the shortcomings identified in the EU Pilots.</p> <ul style="list-style-type: none"> <li>- Amendments Environmental Protection Act</li> <li>- Revision of bylaws and other relevant legislation</li> </ul>		and Nature Protection

**Table 26: Actions to fulfil applicable thematic ex-ante conditionalities**

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing	1 - A national or regional smart specialisation strategy is in place that:	Smart specialization strategy is in process of elaboration. Redrafting of S3, according to comments received from ex-ante evaluator is planned in January 2015. It is envisaged to submit S3 to EC opinion in January 2015. It will be adjusted, taking into consideration EC opinion within 1st quarter of 2015. Formal adoption of the S3 Strategy by the Government (including public consultation process) is envisaged by the end of June 2015. It will be	30-Jun-2015	Ministry of Economy and S3 Working core team composed of representatives from Ministry of Economy, Ministry of Science, Education and Sport (MSES), Ministry of Entrepreneurship and Crafts

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
national or regional R&I systems.		<p>composed of 7 chapters, in line with RIS guide: Analytical part, SWOT analyses, Strategic part, Thematic areas of investments, policy mixes, governance, monitoring and evaluation and budget plan. Advanced draft representing a preliminary basis for investment will be available by the end of January 2015.</p> <p>Within this process, the relation of the S3 to other relevant national strategies will be explained.</p>		(MoEC) and Ministry of Regional Development and EU Funds (MRDEUF), Ministry of Agriculture
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	2 - is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities;	<p>Final draft versions of SWOT and priority areas of investments were submitted to ex-ante evaluator on 31st October 2014. Based on ex-ante evaluation findings SWOT and thematic areas are planned to be revised.</p> <p>In particular, the outcome of the entrepreneurial discovery process will be described, including the elimination process.</p> <p>In addition, identified priority areas will be narrowed down (either by reducing the number of topics, themes or sub-sub areas or by increasing their specificity when they are overly general) through continuous process of entrepreneurial discovery.</p>	28-Feb-2015	S3 Working core team composed of representatives from Ministry of Economy, Ministry of Science, Education and Sport (MSES), Ministry of Entrepreneurship and Crafts (MoEC), Ministry of Regional Development and EU Funds (MRDEUF) and Ministry of Agriculture IMWG and SC
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	3 - outlines measures to stimulate private RTD investment;	Based on ex-ante evaluator comments description of delivery mechanism, policy mixes and its explanation how these are tailored to the needs of stakeholders will be adjusted. In particular, measures to stimulate private RTD investment will be set up and described, providing clear links to the relevant financial resources for their implementation.	31-Mar-2015	Core drafting team - Ministry of Economy - SC/IMWG

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	4 - contains a monitoring mechanism.	Based on received ex-ante evaluation comments, description of monitoring system for S3, including indicators chosen and governance structure will be finalized. In particular, the modality of elaboration of results from monitoring and the revision process description will be improved.  Also, indicators will be improved with distinction between output and result indicators, providing baseline values and target values.	30-Apr-2015	Ministry of Economy, Managing Authority, IMWG and SC
T.01.1 - Research and innovation: The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well performing national or regional R&I systems.	5 - A framework outlining available budgetary resources for research and innovation has been adopted.	A framework outlining available budgetary resources for research and innovation will be adopted, indicating the various sources of finance and amounts available on yearly basis (EU, national and other sources as appropriate), including a distribution by horizontal and vertical priorities. The first version of the framework will be relevant for the 3year period in accordance to standardized planning process of State budget and will be updated regularly.	30-Apr-2015	Ministry of Economy, Ministry of Science, Education and Sport, Ministry of Entrepreneurship and Crafts, Ministry of Regional Development and EU Funds and Ministry of Agriculture.
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	1 - A strategic policy framework for digital growth, for instance, within the national or regional smart specialisation strategy is in place that contains:	Advanced draft representing an interim e-Croatia strategy will be available by 30 June 2015. The complete draft Strategy will be publicly presented and public consultation will be held in July 2015. Strategy will be updated in September 2015, according to feedback from consultation event held. Adoption of the Strategy by Government of the Republic of Croatia is planned in by the end of December 2015. Digital Growth Strategy for Croatia will present in particular information on:  • Economic analysis: situation and trends in digital	31-Dec-2015	Ministry of Public Administration and inter-institutional e-Croatia working group

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		<p>growth in Croatia</p> <ul style="list-style-type: none"> <li>• Vision and strategic objectives for digital growth in Croatia</li> <li>• Proposed priorities for further digital growth development</li> <li>• Schedule for the implementation</li> <li>• Estimated costs, financial sources and available budgetary resources</li> <li>• Monitoring mechanism</li> <li>• ICT capacity-building</li> <li>• Governance and responsibilities</li> </ul>		
<p>T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.</p>	<p>2 - budgeting and prioritisation of actions through a SWOT or similar analysis consistent with the Scoreboard of the Digital Agenda for Europe;</p>	<p>WG will prepare vision of the e-Croatia strategy in line with the DAE 2020 by the end of December 2014. A SWOT and gap analysis will be performed for every defined area: a snapshot of the ICT situation in the public sector will be performed; a desired ICT public sector situation will be envisaged in cooperation with all stakeholders and taking into account sectorial strategies; actions needed to implement the desired status will be outlined; a budgetary analysis will be done; different sources of financing will be envisaged; based on the results, feasible scenarios will be prepared having in mind needed financing resources (EU, national and other sources as appropriate); all stakeholders represented in e-Croatia working group will participate in the prioritisation/ elimination process. Based on justifiable decision Ministry of Public Administration will set up priorities for investment within the framework of e-Croatia strategy, by the end of March 2015.</p>	<p>31-Mar-2015</p>	<p>Ministry of Public Administration and inter-institutional e-Croatia working group</p>

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	3 - an analysis of balancing support for demand and supply of ICT should have been conducted;	An analysis of ICT demand and supply will be performed by 31 March 2015 with a special attention on age structure, education, income, level of ICT training/skills, employment status, affordability of service, productivity, etc. An analysis of the desired ICT situation in relation to the demand for ICT solutions will be performed. Projects to address ICT training/skills needs and the accessibility of the equipment and Internet in public places will be envisaged, where needed. This will be prepared based on conducted analysis of all mentioned above. Workshops to involve all interested stakeholders will be organized.	31-Dec-2015	Ministry of Public Administration and inter-institutional e-Croatia working group
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	4 - indicators to measure progress of interventions in areas such as digital literacy, e-inclusion, e-accessibility, and progress of e-health within the limits of Article 168 TFEU which are aligned, where appropriate, with existing relevant sectoral Union, national or regional strategies;	Action plan with clear indicators (wherever appropriate indicators used in the Digital Agenda Scoreboard will be used) and a monitoring mechanism system to measure progress of ICT use and its impact on national and regional level, will be set up by the end April 2015.	31-Dec-2015	Ministry of Public Administration and inter-institutional e-Croatia working group
T.02.1 - Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	5 - assessment of needs to reinforce ICT capacity-building.	An analysis of the weaknesses in administrative capacity to identify and deliver ICT interventions arising from existing Union, national or regional strategies will be conducted by the end of March 2015. Based on the analysis, an assessment and program with the description of measure to be taken to respond to the needs to reinforce ICT capacity-building will be prepared by the end of May 2015 as to ensure the capacity of intermediate bodies and beneficiaries to identify and deliver those interventions.	31-Dec-2015	Ministry of Public Administration and inter-institutional e-Croatia working group

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	1 - A national or regional NGN Plan is in place that contains:	Mature draft Strategy for Broadband Development 2016 - 2020 will be prepared by the end of March 2015. Public consultation will be held in April 2015. It will be updated in June 2015. Adoption of Strategy by Government is planned by the end of Sept. 2015. It will cover following areas (up to the extent and in parts which are not being already developed and addressed within NGN plans): Economic analysis: situation and trends in Next Generation Network (NGN) Infrastructure in Croatia; Vision and strategic objectives for NGN Infrastructure in Croatia; Proposed priorities for further NGN Infrastructure development in Croatia; Measures to stimulate private investment; Schedule for the implementation; Estimated costs, financial sources and available budgetary resources; Definitions of indicators to measure progress of interventions; Responsibilities. NGN Plans will be put in place by Dec 2015 according to the action plan presented below in point 2.	31-Dec-2015	Ministry of maritime affairs, transport and infrastructure
T.02.2 - Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	2 - a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;	National Plan for infrastructure investments in NGA access networks (ONP) will be sent to notification to DG COMP in Dec. 2014. It is envisaged to receive ONP state aid clearance from DG COMP and Government approval by the end June 2015. National program for infrastructure investments in NGA backhaul broadband infrastructure (NP-BBI) covering state aid measures will be updated according to feedback from public consultation event held and following the discussions with incumbent and other operators from October-December 2014. It will be sent to notification procedure to DG COMP by the end of December 2014. State aid clearance from DG COMP and approval by Government is envisaged by the end of 2015. Advanced draft of NGN plans representing a preliminary	31-Dec-2015	Ministry of maritime affairs, transport and infrastructure

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		basis for investment are already available for access part of the network, and will be available for backhaul part of the network by the end of December 2014.		
T.03.1 - Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	3 - The specific actions are: mechanism is in place to monitor the implementation of the measures of the SBA which have been put in place and assess the impact on SMEs.	Croatia will make sure that a mechanism is put in place to assess the impact of legislation on SMEs. The mechanism will be regulated / adopted and functional by the end December 2015. Ministry of Entrepreneurships and Crafts as SME policy coordinator will make a proposal for such mechanism to the Government Legislation Office and/or other concerned authorities. It will be analysed whether the mechanism to assess the impact of legislation on SMEs that is currently being developed in MEC could be applied widely across the administration, or whether a different solution should be implemented to enable consistent assessment of legislative impact on SMEs.	31-Dec-2015	Ministry of Entrepreneurship and Crafts as leading ministry  Government Legislation Office as main stakeholder responsible for Act on RIA
T.01.2 - Research and Innovation infrastructure. The existence of a multi annual plan for budgeting and prioritisation of investments.	1 - An indicative multi-annual plan for budgeting and prioritisation of investments linked to Union priorities, and, where appropriate, the European Strategy Forum on Research Infrastructures (ESFRI) has been adopted.	Coherence of the ESFRI Roadmap prioritisation with the Smart specialisation strategy will be checked upon S3 completion, since the preparation of S3 is still on-going. If, after examination of the coherence is established that ESFRI Roadmap prioritisation does not respond to the needs identified in the smart specialisation strategy, it will be re-examined and if needed, revised. The opportunity of the review of the Roadmap will be used also for correcting the inconsistencies that were noticed in Annex I (budget table).	31-Jul-2015	Ministry of Science, Education and Sport
T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power.	1 - Support for co-generation is based on useful heat demand and primary energy savings consistent with Article 7(1) and points (a) and (b) of Article 9(1)	Preparation and adoption of Programme for the use of efficiency potential in heating and cooling for the period 2016-2030 according to Directive 2012/27.  The programme will include identification and calculation of potential for useful heating and cooling demands,	01-Jul-2015	Ministry of Economy

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
	of Directive 2004/8/EC;	appropriate mechanisms in order to increase share of high-efficiency cogeneration and identification of existing obstacles and barriers and measures for its minimisations/eliminations.		
T.04.2 - Actions have been carried out to promote high efficiency co generation of heat and power.	2 - Member States or their competent bodies have evaluated the existing legislative and regulatory framework with regard to authorisation procedures or other procedures in order to: (a) encourage the design of co-generation units to match economically justifiable demands for useful heat output and avoid production of more heat than useful heat; and (b) reduce the regulatory and non-regulatory barriers to an increase in co-generation.	Preparation and adoption of Programme for the use of efficiency potential in heating and cooling for the period 2016-2030 according to Directive 2012/27.  The programme will include identification and calculation of potential for useful heating and cooling demands, appropriate mechanisms in order to increase share of high-efficiency cogeneration and identification of existing obstacles and barriers and measures for its minimisations/eliminations.	01-Jul-2015	Ministry of Economy
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	1 - A national or regional risk assessment with the following elements shall be in place:	1. Informing the Public through official web pages; 2. Public Consultations; 3. Adoption of a document containing single risk scenarios and multi-risk scenarios for each main risk (Adoption of the Disaster Risk Assessment for the Republic of Croatia).	31-Dec-2015	Government of the Republic of Croatia and National Protection and Rescue Directorate

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	3 - a description of single-risk and multi-risk scenarios;	Preparation of a document containing single risk scenarios and multi-risk scenarios for each of the main risks	31-Dec-2015	National Protection and Rescue Directorate
T.05.1 - Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	4 - taking into account, where appropriate, national climate change adaptation strategies.	Throughout the whole risk assessment process national climate change adaptation strategies and experts will be consulted and address the impact of climate change on all relevant and analysed areas. Stakeholders responsible for climate change are also a part of the main Risk Assessment Working Group.	31-Dec-2015	National Protection and Rescue Directorate
T.06.1 - Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	1 - In sectors supported by the ERDF, the Cohesion Fund and the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with the first indent of Article 9(1) of Directive 2000/60/EC having regard, where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected.	Development of the economic analysis, which will calculate the recovery of costs of water services (including environmental and resource costs) within the limits of the national definition, as part of next version of RBMP (2016-2021).  Development of the Programme of Measures as an incentive measure to de-stimulate irrational water uses as part of the next version of RBMP (2016-2021).	31-Dec-2016	Ministry of Agriculture in coordination with Croatian Waters.
T.06.1 - Water sector: The existence of a) a water pricing	2 - The adoption of a river basin management plan for the river	Completion of the document "Program of water status monitoring for 2014 - 2019".	31-Dec-2015	Ministry of Agriculture (Croatian Water are the

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	basin district consistent with Article 13 of Directive 2000/60/EC.	<p>Establishment and performance of the monitoring in the scope, type and testing method completely aligned with European and national standards.</p> <p>Enactment of the River basin management plan (RBMP) for the 2016-2021 that will include a) final list of artificial and HMWBs and b) final list of water bodies candidates for extension of deadlines and /or programme of additional measures to achieve good status.</p> <p>The additional information and explanation on actions are provided in separate file under the Documents section.</p>		institution responsible for implementation of the monitoring)
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	3 - The existence of waste prevention programmes, as required under Article 29 of Directive 2008/98/EC;	<p>The National Waste Prevention Programme will be prepared together with the new National Waste Management Plan (WMP) for the period 2015-2021, as a constituent part of the new Plan. The National Waste Prevention Programme will identify waste prevention measures as prescribed by the Article 29 of the Waste Framework Directive. A World Bank funded TA project will assist the MENP to develop the Waste Management Plan and simultaneously conduct an SEA for the WMP.</p> <p>The key milestones for the preparation of the Plan are the following:</p> <ul style="list-style-type: none"> <li>- Draft National Waste Management Plan (NWMP) for the period 2015-2021 including a draft National Waste Prevention Programme (NWPP) prepared.</li> <li>- Draft of the Strategic Environmental Assessment Report of the NWMP 2015-2021 including the NWPP Inter-ministerial consultations on the Draft NWMP 2015-2021.</li> </ul>	30-Sep-2015	Ministry of Environmental and Nature Protection

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
		- Completion of the Strategic Environmental Assessment procedure of the NWMP 2015-2021 including the NWPP Adoption of the NWMP 2015-2021 including the NWPP		
T.06.2 - Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy.	4 - Necessary measures to achieve the targets on preparation for re-use and recycling by 2020 consistent with Article 11(2) of Directive 2008/98/EC have been adopted.	Approval of the Regulation on municipal waste Start of the continuous public campaign related to waste prevention and separate collection Additional regulation / bylaws adopted Analysis of the current situation and definition of additional measures for achieving recycling targets. Inter-ministerial consultations on the Draft NWMP 2015-2021, Adoption of the NWMP 2015-2021 containing additional measures for achievement of re-use and recycling targets by 2020	30-Sep-2015	Ministry of Environmental and Nature Protection, self government units
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	1 - The existence of a comprehensive transport plan or plans or framework or frameworks for transport investment which complies with legal requirements for strategic environmental assessment and sets out:	Adopt Interim Transport Plan- 30 October 2014, National Transport Model • Contracting-28 March 2014 • finalisation- March 2016, Comprehensive Transport Plan - 2nd Assessment Round (Revised and final Transport Development Strategy) • Procurement of Technical Assistance - June 2015 • Publish Comprehensive Transport Plan including SEA- July-September 2016 • Adopt Comprehensive Transport Plan- December 2016.  See attached TO7 EAC Action Plan for more details.	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	2 - the contribution to the single European Transport Area consistent with Article 10 of Regulation (EU) No .../2013 of the European Parliament and of the Council, including priorities for investments in:	see above	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	3 - the core TEN-T network and the comprehensive network where investment from the ERDF and the Cohesion Fund is envisaged; and	see above	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level)	4 - secondary connectivity;	see above	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.				
T.07.1 - Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks.	6 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.	Gap Assessment Report - 2nd Quarter of 2016, Capacity Building Plan - 4th Quarter of 2016 See attached TO7 EAC Action Plan for more details.	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure/Ministry of Regional Development and EU Funds
T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.	1 - The existence of a section on railway development within the transport plan or plans or framework or frameworks as set out above which complies with legal requirements for strategic environmental assessment (SEA) and sets out a realistic and mature project pipeline (including a timetable and budgetary framework);	Adopt Interim Transport Plan- 30 October 2014, National Transport Model • Contracting-28 March 2014 • finalisation- March 2016, Comprehensive Transport Plan - 2nd Assessment Round (Revised and final Transport Development Strategy) • Procurement of Technical Assistance - June 2015 • Publish Comprehensive Transport Plan including SEA- July-September 2016 • Adopt Comprehensive Transport Plan- December 2016. See attached TO7 EAC Action Plan for more details.	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
<p>T.07.2 - Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the Member States' institutional set up (including concerning public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.</p>	<p>2 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>	<p>Gap Assessment Report - 2nd Quarter of 2016, Capacity Building Plan - 4th Quarter of 2016 See attached TO7 EAC Action Plan for more details.</p>	<p>30-Dec-2016</p>	<p>Ministry of Maritime Affairs, Transport and Infrastructure/Ministry of Regional Development and EU Funds</p>
<p>T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.</p>	<p>3 - contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including people from marginalised communities;</p>	<p>1.Measures that need to be implemented to achieve goals of the Strategy for Combating Poverty and Social Exclusion 2014 – 2020 will be elaborated within a separate Implementation Programme. Government of Croatia is responsible for adoption of the Programme. During February 2014 relevant stakeholders started developing the Implementation Programme of the Strategy, to be adopted by the Government by end February 2015. First Implementation Programme will cover the period from 2014 – 2016. MSPY is in charge for coordination of this process and Government for adoption.</p> <p>2.MSPY is responsible for submitting report on implementation of measures to Government until 30th June every year.</p>	<p>28-Feb-2015</p>	<p>1.Ministry of Social Policy and Youth 2.Bodies responsible for implementing and monitoring certain measures</p>

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	5 - depending on the identified needs, includes measures for the shift from institutional to community based care;	Measures that need to be implemented to achieve goals of the Strategy for Combating Poverty and Social Exclusion 2014 – 2020 will be elaborated within a separate Implementation Programme. Government of Croatia is responsible for adoption of the Programme. During February 2014 relevant stakeholders started developing the Implementation Programme of the Strategy, to be adopted by the Government by end February 2015. First Implementation Programme will cover the period from 2014 – 2016. MSPY is in charge for coordination of this process and Government for adoption.	28-Feb-2015	Ministry of Social Policy and Youth
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	1 - A national or regional strategic policy framework for health is in place that contains:	<p>1. Adoption of the National Plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016 (NPDH). Deadline: 1st February 2015</p> <p>2. Approval of the National Registry. Deadline 1st May 2015</p> <p>3. Submission of Implementation plans by hospitals. Deadline: 1st March 2015</p> <p>4. Approval of Implementation plans by Ministry of Health. Deadline: 1st May 2015</p>	31-May-2015	<p>1. The Croatian Parliament</p> <p>2. Ministry of Health</p> <p>3. Hospitals under NPDH</p> <p>4. Ministry of Health</p>
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU	2 - coordinated measures to improve access to health services;	1. Adoption of the National Plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016 (NPDH). Deadline: 1st February 2015	31-May-2015	<p>1. The Croatian Parliament</p> <p>2. Ministry of Health</p> <p>3. Hospitals under NPDH</p>

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
ensuring economic sustainability.		<p>2.Approval of the National Registry.The network of Conjoint Emergency Medical Wards in hospitals will be part of the National Registry , which accompanies the NPDH. Deadline 1st May 2015</p> <p>3.Submission of Implementation plans by hospitals. Deadline: 1st March 2015</p> <p>4.Approval of Implementation plans by Ministry of Health. Deadline: 1st May 2015</p> <p>5.Adoption of the National Plan for the Development of Human Resources in Health Care. Deadline: 1st March 2015.</p> <p>6.Adoption of the Operational Plan for the Implementation of the Strategy on the Rights of Children in the Republic of Croatia 2014-2020. Deadline:1st April 2015</p>		<p>4.Ministry of Health</p> <p>5.Ministry of Health</p> <p>6.Ministry of Social Policy and Youth, Government of the Republic of Croatia</p>
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	3 - measures to stimulate efficiency in the health sector, through deployment of service delivery models and infrastructure;	<p>1.Adoption of the National Plan for the Development of Clinical Hospital Centers, Clinical Hospitals, Clinics, and General Hospitals in Republic of Croatia for the period 2014-2016 (NPDH). Deadline:1st February 2015</p> <p>2.Approval of the National Registry. Deadline 1st May 2015</p> <p>3.Submission of Implementation plans by hospitals. Deadline: 1st March 2015</p> <p>4.Approval of Implementation plans by Ministry of Health. Deadline: 1st May 2015</p> <p>5.Adoption of Strategic Plan for e-Health Development. Deadline: 1st February 2015</p> <p>6.Needs of Primary Health Care Centres assessed through questionnaire. Deadline: 1st January 2015</p>	31-May-2015	<p>1.The Croatian Parliament</p> <p>2.Ministry of Health</p> <p>3.Hospitals under NPDH</p> <p>4.Ministry of Health</p> <p>5. Ministry of Health, Croatian Health Insurance Fund</p> <p>6. Ministry of Health</p>

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
T.09.3 - Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	4 - a monitoring and review system.	Appointment of the Monitoring Committee for National Health Care Strategy 2012-2020	31-Jan-2015	Ministry of Health
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.	1 - The existence of a section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure within the transport plan or plans or framework or frameworks which:	Adopt Interim Transport Plan- 30 October 2014, National Transport Model • Contracting-28 March 2014 • finalisation- March 2016, Comprehensive Transport Plan - 2nd Assessment Round (Revised and final Transport Development Strategy) • Procurement of Technical Assistance - June 2015 • Publish Comprehensive Transport Plan including SEA- July-September 2016 • Adopt Comprehensive Transport Plan- December 2016.  See attached TO7 EAC Action Plan for more details.	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to	2 - complies with legal requirements for strategic environmental assessment;	See above	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure

<b>Thematic ex-ante conditionality</b>	<b>Criteria not fulfilled</b>	<b>Actions to be taken</b>	<b>Deadline (date)</b>	<b>Bodies responsible</b>
improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.				
T.07.3 - Other modes of transport, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN T comprehensive and core networks and to promoting sustainable regional and local mobility.	4 - Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.	Gap Assessment Report - 2nd Quarter of 2016, Capacity Building Plan - 4th Quarter of 2016 See attached TO7 EAC Action Plan for more details.	30-Dec-2016	Ministry of Maritime Affairs, Transport and Infrastructure/Ministry of Regional Development and EU Funds
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework is in place for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU which includes measures for the following:	1.The mature draft Programme for Development of VET System (including objectives/measures, responsible institutions, deadlines) ready for launching public consultations will be prepared by 31 May 2015. 2.Completion of public consultations and adoption by the Government of the Programme for Development of VET System is to be completed by 31 December 2015 at the latest.	31-Dec-2015	1.Ministry of Science, Education and Sports 2.Ministry of Science, Education and Sports
T.10.4 - The existence of a national or regional strategic policy framework for increasing the	2 - to improve the labour market relevance of VET systems in close cooperation with relevant	1.The mature draft Programme for Development of VET System (including objectives/measures, responsible institutions, deadlines) ready for launching public	31-Dec-2015	1.Ministry of Science, Education and Sport 2.Ministry of Science,

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
quality and efficiency of VET systems within the limits of Article 165 TFEU.	stakeholders including through mechanisms for skills anticipation, adaptation of curricula and the strengthening of work-based learning provision in its different forms;	consultations will be prepared by 31 May 2015. 2. Completion of public consultations and adoption by the Government of the Programme for Development of VET System is to be completed by 31 December 2015 at the latest.		Education and Sport
T.10.4 - The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	3 - to increase the quality and attractiveness of VET including through establishing a national approach for quality assurance for VET (for example in line with the, European Quality Assurance Reference Framework for Vocational Education and Training) and implementing the transparency and recognition tools, for example European Credit system for Vocational Education and Training. (ECVET).	1. The mature draft Programme for Development of VET System (including objectives/measures, responsible institutions, deadlines) ready for launching public consultations will be prepared by 31 May 2015. 2. Completion of public consultations and adoption by the Government of the Programme for Development of VET System is to be completed by 31 December 2015 at the latest.	31-Dec-2015	1. Ministry of Science, Education and Sports 2. Ministry of Science, Education and Sports

## 10. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce administrative burden.

As one of the permanent key measures contributing to the overall efficiency of the MCS, consequently resulting with the reduction of the administrative burden for beneficiaries, refers to the continuous use of standardized procedures (business processes), tools and methods, which are, where appropriate, supported by joint MIS.

**The corpus of standardized business processes** for ERDF and CF programmes (as well as for ESF programme) is codified in Common National Rules (CNR), which have been established for 2007-2013 period, and are being updated, upgraded and adjusted for the purpose of 2014-2020 MCS (the timeline for this exercise is set for end of 2014). CNRs cover business processes with accompanying proscribed forms related to: eligibility of expenditure, risk management and improvement of the system, conditions for preparation and implementation of projects, forecasting and monitoring, audit trail, selection and contracting, verifications, payments, certification, recoveries, audits, irregularities, information and visibility, strategic planning, programming, evaluation and closure. The permanent efforts for standardization of business processes related to conditions for preparation and implementation of projects, which is to contribute to the strengthening of competences of beneficiaries and, consequently, reducing the necessary workload on their side, are constantly being invested to tackle the key aspect of administrative burden for beneficiaries identified, which refers to the procedural complexity, procedural incompatibility and diversity in terms of different administrative requirements by different bodies in the MCS. Therefore, further simplification of common procedures (especially on conditions for the preparation and implementation of projects), standardized at the level of CNR, is to enable beneficiaries to (a) prepare significant part of the project application in advance even before the call is published, (b) build the capacities for the implementation of the project in advance and (c) reduce the resources required for administrative implementation of the project, focusing more on the content of the project itself.

Within the further simplification of common procedures, new diversified and simplified procedures for application and selection of projects are planned to be introduced, enabling the selection of projects to be completed in shorter timeframe and with optimal use of resources of both the MCS and the beneficiary.

Also, it is possible that simplified cost options would be introduced by developing required methodology, enabling the process of verification and reimbursement of funds to be completed in shorter timeframe and with optimal use of resources on both, the side of the MCS and the beneficiary.

To contribute to this aim is also **further development and further interconnection of the computerised system(s)** for management, monitoring, audit, control and evaluation, resulting with the simplification of administrative procedures (to be supported through TA interventions).

Widening the scope of application of electronic systems in the context of OP management, namely through

- Beneficiaries Portal - an interactive platform to be established by the end of 2015 by upgrading the existing central website, in order to further enhance electronic communication between the applicants/beneficiaries and the bodies of the MCS, in line with e-cohesion requirements, thus facilitating the exchange of information and consequently reducing resources necessary for that purpose. Beneficiaries Portal is to enable potential applicants/beneficiaries to obtain all relevant information from one source, especially in terms of assisting them in the process of preparation of projects by using centrally coordinated mechanisms of dissemination of information for beneficiaries. The central web site operated by the CB is planned to be upgraded into 'one stop shop' for acquiring (a) information on funding opportunities, (b) information on applicable rules and procedures, (c) e-learning contents available on-line as well as information on other learning opportunities related to project management and (d) contacts of bodies responsible for further support to potential beneficiaries within particular policy area;
- new features of the MIS, as well as
- interconnection with other electronic systems

is to (a) allow that information by the beneficiaries is provided in electronic form and submitted only once (once encoding principle), (b) reduce the overall number of information and supporting documents required from the beneficiaries, which the MCS can obtain and validate on its own, and (c) reduce the efforts by the beneficiaries in repeated submission of information and supporting documents (in case the same beneficiary submits more applications for different projects (and also under different programmes). These activities are to be performed continuously.

Also, further upgrading of the work of existing Publicity Officers Network (PON), in order for it not to only ensure coordinated and simultaneous **dissemination of all OP management related information but also to provide first level technical support to potential beneficiaries**, at all levels, is to contribute in this way to the reduction of administrative burden for them. The members of the PON are to be trained and licensed by the CB. This activity is implemented on a permanent basis, with the first cycle of licensing to be completed by the mid-2015.

With regard to efforts to enhance the capacities of beneficiaries for proper and successful implementation of projects, **trainings for beneficiaries** (focusing on specific issues, primarily on areas of high risk for potential irregularities, such as public procurement and state aid, or focusing on individual calls for proposals) are intended to be permanently available and regularly delivered, in order to provide the beneficiaries with additional knowledge and expertise on issues of importance for preparation and implementation of projects.

Apart from the afore mentioned measures, based on permanent risk management in the management and control system, specific features of procedures and requirements shall be constantly improved, based on lessons to be learned over time.

## 11. HORIZONTAL PRINCIPLES

### 11.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

A comprehensive **strategic environmental assessment** procedure was conducted for OPCC, with general conclusion that the implementation of OP can have a positive impact on the environment. Within SEA, main assessment of the acceptability of the OP for the ecological network showed that implementation of the OP likely will not have negative impacts on ecological network subject to the application of the mitigation measures prescribed in the assessment. More detailed information on the SEA procedure is provided in the appendices: non-technical summary of the strategic study and report on conducted SEA procedure. A detailed analysis in the form of **project level environmental impact assessment** will be required in order to specify all types of potential influences and list measures for their avoidance.

All projects will be implemented in accordance with the requirements set in the EU environmental legislation related to EIA and SEA. Certain shortcomings were recently identified in the national legislation transposing EU EIA/SEA requirements. Full compliance with the requirements of the Directives will be reached by the end of September 2015, in line with the Action plan developed by Croatia (related to the EAC G6). In the meantime, Croatia will ensure that the provisions of the Directives are correctly applied, for the projects co-financed under the OP, by performing controls by the Competent Authority in respect to the a.m. EIA/SEA issues (procedure explained in detail in the EAC self-assessment).

Implementation at the project level will be carried out respecting the '**polluter pays**' (**PP**) **principle**, which is already incorporated in the Environmental Protection Act (OG 80/13), according to which the polluter is obliged to cover the costs arising from polluting the environment, removing the damage from the environment, as well as costs for measures for preventing pollution. Additional regulatory mechanisms are being introduced where necessary, in order to contribute to respecting the PP principle. In the waste sector, necessary measures are incorporated in the Act on Sustainable Waste Management: the landfill tax, deposit system, public service fee proportional to the amount of waste produced, while an additional set of regulations which will contribute to its implementation is under preparation. Legislative framework for water management includes the principles of cost recovery of water services and the PP / '**user pay**' **principle**.

In accordance with **the partnership principle**, relevant civil society organisations and NGOs, working in the area of sustainable development are involved in the preparation of programmes, and will be involved in the OPCC MC, consultation on strategic progress reports and participation in thematic sub-committees. In this manner continuation of their engagement and work will be ensured, as stipulated in the Delegated Act on the European Code of Conduct on Partnership.

**Green public procurement, climate proofing, resource efficiency and green growth** principles will be fully respected and implemented as explained in the Partnership Agreement.

The sustainable development principle will be horizontally integrated into the OPCC managing documentation. To ensure that sustainable development principles are taken into account at all levels of implementation, the following procedures shall be adopted:

- **Selection:** Sustainable development principles will be reflected in the selection procedures. Applicants will be expected to prove that their project will **not have a harmful environmental impact**, to certify that it is environmentally neutral and/or to present how the project will make a positive contribution to sustainable development.
- **Contracting:** Any consequences of the environmental impact assessment during the selection stage will be reflected in the agreements with beneficiaries, and will be checked as part of the internal controls and audit process.
- **Monitoring:** **The fulfilment of the sustainable development principle will be monitored at the project level through monitoring reports, as well as through control of project implementation on the spot and subsequent evaluation** of the contribution to the horizontal principles objectives. It is ensured throughout the whole programming period that relevant data on the progress on project level are collected and uploaded in the MIS and thus regular reporting is accurate and evidence-based.
- **Evaluation** – As explained above, strategic environmental assessment has been carried out for relevant operational programmes.

Under **PA 6**, an area that needs to be singled out is the management of **Natura 2000 sites**. Given that Natura 2000 sites provide the core potential for regional development, planned investments will contribute to reach the objectives of sustainable management and provide benefits to the local economy.

A highly specific problem of the Croatian territory is mine contamination, which is a legacy of the 1991-1995 aggression against Croatia and Homeland War. Mine contamination represents a problem in terms of stability, social inclusion as well as of economic development. Total mine suspected territory in Croatia amounts at 613.6 km<sup>2</sup>. More than half of the mine suspected area of the country is attributed to Natura 2000 sites and nature protected areas which presents an obstacle for effective management of mentioned areas. Consequently, the cost of the **mine clearance and mine checking in the selected project site will be eligible under the CF and ERDF**.

## **11.2 Equal opportunities and non-discrimination**

Description of specific actions to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements for ensuring accessibility for persons with disabilities.

Description of specific actions to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual

orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements for ensuring accessibility for persons with disabilities.

The policy for the protection of human rights, antidiscrimination policy, policy of gender equality as well as equality of national minorities are embedded at the highest national level through the Constitution, decisions of the Croatian Government and the Croatian Parliament. Integral parts of the strategic framework for the promotion of equality are national plans, programmes and strategies, which define goals and prescribe measures to be taken for the improvement of general living, social and economic conditions of the identified groups. Related legal acts and the supporting strategies and programmes have been transposed as part of the *acquis communautaire*.

In accordance with the partnership principle, representatives of gender equality bodies, relevant civil society organisations and NGOs, representing gender equality, non-discrimination and the interest of disadvantaged groups were involved in the preparation of programmes as well as is in public consultations, and will be involved in the monitoring and evaluation of the OPCC, mainly through their representation in the OPCC Monitoring Committee. The interventions to be financed from OPCC not only have to be in line with the equality principles, but should promote the practical implementation of equal opportunities, non-discrimination and accessibility policies wherever possible.

In order to mitigate the risk of discrimination in the planning and implementation phases of infrastructure projects, accessibility will be ensured for persons with disability, as well as access to products and services. As regards the priority axis **Connectivity and Mobility**, equality of opportunities for access to the transport infrastructure is one of the most important factors influencing the living conditions and living standard for all citizens, where special attention will be given to disadvantaged groups and persons with special needs. Provisions that include gender equality perspective and accessibility will be incorporated in the programming and implementation of projects.

Close cooperation will be ensured with relevant civil society organisations and NGOs representing gender equality, non-discrimination and the interest of disadvantaged groups, to ensure the dissemination of information and participation of disabled people in the OPCC. Essential activities for promoting equality principles will include **publicity activities and dissemination of information** that include actions to support accessibility like trainings and meetings on national, regional and local level, websites, printed materials etc.

An important pre-condition is the development of common understanding and recognition as regards the promotion of equality between men and women, non-discrimination and accessibility. In this respect, arrangements for **training of staff of the authorities involved in the management and control of the ESI Funds, including OPCC** in the fields of Union antidiscrimination law and policy, gender equality law and policy and on gender mainstreaming area, national disability law and policy including accessibility and the practical application of the United Nations Convention on the rights of the persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with the Council Decision 2010/48/EC will be carried out as part of the process to fulfil the general ex-ante conditionalities.

A number of infrastructure investments will be implemented within the priority axis **Social inclusion and Health**, aiming at improvement of living conditions for groups at risk of social exclusion and vulnerable groups. These interventions include rehabilitation and construction of social/public infrastructure to reduce poverty and balance the local and regional access to public services, infrastructure investments supporting shift to community based services as well as improvement of efficiency of health care provision. Equal opportunities and non-discrimination principles will be applied across all priority axes, by means of positive action measures and activities targeted to support particular groups. As different priority axes may contribute to the promotion of equality, non-discrimination and accessibility to a varied extent, tailor-made solutions are prepared to set either obligatory or optional requirements on project level.

The method which will ensure that the gender equality, non-discrimination and accessibility policies are taken into account at all levels of the OPCC implementation is explained under chapter **11.3. Equality between men and women**.

### **11.3 Equality between men and women**

Description of contribution of the operational programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at operational programme and operation level.

To ensure that the gender equality, non-discrimination and accessibility policies are taken into account at all levels of the OPCC implementation, the following procedures shall be adopted:

- **Selection:** To encourage applicants to take full account of equal opportunities, the principles will be reflected in the selection procedures. All projects will be required to demonstrate within the Application Form, how they will contribute to equal opportunities, describing the method how the issue has been taken into account.
- **Contracting:** The requirement to observe equality principles during project implementation shall be built into contracts with applicants, and shall be checked as part of the monitoring and reporting procedures.
- **Monitoring:** To assess results achieved related to the equal opportunities, indicators will be built into the project monitoring system. The fulfilment of horizontal principles will be monitored at the project level through monitoring reports, as well as through control of project implementation on the spot and subsequent evaluation of the contribution to the horizontal principles objectives. Relevant gender sensitive data on the progress on project level is collected and uploaded in the MIS and thus regular reporting is accurate and evidence-based. Report on results achieved linked to equality principles will be included into Annual Implementation Reports.
- **Evaluation:** The Evaluation plan will be developed for each priority axis and measures will be taken to conduct on-going evaluations which would include the question to what extent the selection criteria, the monitoring systems and management and control procedures support the implementation of equality principles.

As already stated in **paragraph 11.2** above, the policy for the protection of human rights, antidiscrimination policy, policy of gender equality as well as equality of national minorities is accepted at the highest national level through the Constitution, decisions of the Croatian Government and the Croatian Parliament.

Gender equality principles will be applied across all priority axes, while particular initiatives represent means of positive action measures and target support to particular groups.

Women's entrepreneurship will be supported through a specific sub-activity under the SEECCEL initiative under priority axis **Business competitiveness**, which will help raise the awareness on specifics of the entrepreneurship of women in Croatia and the SEE region, by promoting best policy practices in women's entrepreneurship in line with the Small Business Act (SBA) for Europe and capacity building of national and regional women entrepreneur's networks & associations, through combined public and private efforts, with the final impact on reducing female unemployment.

[1] Official Gazette, No. 149/09

## 12. SEPARATE ELEMENTS

### 12.1 Major projects to be implemented during programming period

**Table 27: List of major projects**

Project	Planned notification/submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axes / Investment Priorities
Centre of Competence for Translational Medicine at the Children's Hospital Srebrnjak	2015, Q3	2015, Q4	2018, Q2	
Development of aggregation (backhaul) NGN networks in NGN white and grey areas in Croatia	2015, Q1	2015, Q3	2020, Q4	
Dubrovnik Airport (phased from 2007-2013)	2015, Q4	2015, Q4	2019, Q2	
Equipping of railways with GSM-R system (Communication project for ETCS2)	2016, Q1	2016, Q1	2017, Q4	
KAŠTELA-TROGIR	2015, Q4	2016, Q4	2020, Q4	
NIN-PRIVLAKA-VRSI-VIR	2015, Q1	2016, Q1	2019, Q4	
OSIJEK Phase II	2016, Q3	2016, Q4	2018, Q3	
Omiš region Bypass: Stobreč - Dugi Rat - Omiš	2015, Q4	2016, Q2	2023, Q2	
Open scientific infrastructural platforms for innovative applications in economy and society – O-ZIP	2016, Q4	2017, Q2	2020, Q4	

<b>Project</b>	<b>Planned notification/submission date (year, quarter)</b>	<b>Planned start of implementation (year, quarter)</b>	<b>Planned completion date (year, quarter)</b>	<b>Priority Axes / Investment Priorities</b>
POREČ Phase II	2016, Q3	2016, Q4	2018, Q4	
RIJEKA	2015, Q4	2016, Q4	2020, Q4	
RVS ISTOČNA SLAVONIJA	2015, Q1	2016, Q1	2019, Q4	
RVS ZAGREB ISTOK	2014, Q3	2015, Q3	2019, Q4	
Railway Dugo Selo – Križevci (from 2007-2013, subject to phasing)	2015, Q4	2015, Q4	2018, Q4	
Railway Hrvatski Leskovac - Karlovac	2015, Q3	2017, Q1	2020, Q2	
Remediation of Karepovac landfill	2017, Q3	2018, Q1	2020, Q3	
Remediation of location highly polluted by waste ("hot spot") - Sovjak	2015, Q3	2016, Q3	2020, Q4	
Rijeka D403	2015, Q4	2016, Q2	2018, Q2	
Road connection to south Dalmatia	2015, Q2	2016, Q3	2019, Q4	
SPLIT-SOLIN	2015, Q4	2016, Q4	2020, Q4	
VELIKA GORICA	2014, Q3	2015, Q3	2019, Q4	
VUKOVAR Phase II	2016, Q3	2016, Q4	2018, Q4	
WMC Antunovac	2015, Q3	2016, Q1	2018, Q3	
WMC Biljane donje	2015, Q1	2015, Q3	2017, Q3	
WMC City of Zagreb	2015, Q2	2016, Q3	2018, Q4	

Project	Planned notification/submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axes / Investment Priorities
WMC Lečevica	2015, Q2	2015, Q4	2018, Q2	
WMC Piškornica	2014, Q4	2015, Q2	2017, Q3	
ZABOK-ZLATAR	2015, Q4	2016, Q4	2019, Q4	
ZAGREB	2016, Q2	2017, Q2	2020, Q4	
e-Schools project	2016, Q1	2016, Q2	2020, Q4	

## 12.2 Performance framework of operational programme

**Table 28: Performance framework by fund and category of region (summary table)**

Priority axis	Fund	Category of region	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018			Final target (2023)		
					M	W	T	M	W	T
1 - Strengthening the Economy through Application of Research and Innovation	ERDF	Less developed	Total amount of eligible expenditure certified	EUR			182,104,566			782,108,440.00
1 - Strengthening the Economy through Application of Research and Innovation	ERDF	Less developed	Number of R&D&I infrastructural projects	Number			1			6.00
1 - Strengthening the Economy through Application of Research and Innovation	ERDF	Less developed	Number of R&D projects supported	Number			50			600.00
2 - Use of Information and Communication Technologies	ERDF	Less developed	ICT Infrastructure: Additional households with broadband access of at least 30 Mbps	Households			80,000,00			315,000.00
2 - Use of Information and Communication Technologies	ERDF	Less developed	Total amount of eligible	EUR			84,356,572			362,297,271.00

Priority axis	Fund	Category of region	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018			Final target (2023)		
					M	W	T	M	W	T
			expenditure certified'							
2 - Use of Information and Communication Technologies	ERDF	Less developed	Number of institutions integrated in Government Cloud	Number			40			300.00
3 - Business Competitiveness	ERDF	Less developed	Productive investment: Number of enterprises receiving grants	Enterprises			947			2,870.00
3 - Business Competitiveness	ERDF	Less developed	Total amount of certified eligible expenditure	EUR			265,709,249.00			1,141,176,480.00
4 - Promoting Energy Efficiency and Renewable Energy Sources	ERDF	Less developed	Energy efficiency: Number of households with improved energy consumption classification	Households			4.000			10,451.00
4 - Promoting Energy Efficiency and Renewable Energy Sources	ERDF	Less developed	Energy efficiency: Decrease of annual primary energy consumption of public buildings	kWh/year			55.100.000			55,100,000.00
4 - Promoting Energy Efficiency and Renewable Energy Sources	ERDF	Less developed	Total amount of eligible expenditure certified	Euro			123.475.833			531,810,805.00
5 - Climate Change and Risk Management	ERDF	Less developed	Risk prevention and management: Population benefiting from flood protection measures	Persons			1000			10,000.00
5 - Climate Change and Risk Management	ERDF	Less developed	Total amount of eligible expenditure certified	Euro			57.151.981			245,396,147.00
6 - Environmental Protection and Sustainability of Resources	ERDF	Less developed	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year			31.000			310,000.00
6 - Environmental Protection and Sustainability of Resources	ERDF	Less developed	Total amount of eligible expenditure certified	Euro			77.744.690			338,020,392.00

Priority axis	Fund	Category of region	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018			Final target (2023)		
					M	W	T	M	W	T
6 - Environmental Protection and Sustainability of Resources	CF		Wastewater treatment: Additional population served by improved wastewater treatment	Population equivalent			0			1,000,000.00
6 - Environmental Protection and Sustainability of Resources	CF		Total amount of eligible expenditure certified	Euro			382.943.811			1,649,340,216.00
6 - Environmental Protection and Sustainability of Resources	CF		Number of contracted work contracts for water sector projects	Nr			30			100.00
6 - Environmental Protection and Sustainability of Resources	CF		Works contracts signed with Contractors for the selected WMC projects	Number			6			10.00
6 - Environmental Protection and Sustainability of Resources	CF		Established and fully operational new waste management centres	Nr			0			10.00
7 - Connectivity and Mobility	ERDF	Less developed	Roads: Total length of newly built roads	km			10			72.00
7 - Connectivity and Mobility	ERDF	Less developed	Total amount of certified eligible expenditure	euro			93,158,725.00			400,000,000.00
7 - Connectivity and Mobility	ERDF	Less developed	Volume of contracted projects for newly build roads	euro			150,000,000.00			330,000,000.00
7 - Connectivity and Mobility	CF		Railway: Total length of reconstructed or upgraded railway line, of which: TEN-T	km			20.00			78.40
7 - Connectivity and Mobility	CF		Total amount of certified eligible expenditure	euro			211,476,776.00			910,205,755.00
7 - Connectivity and Mobility	CF		Volume of contracted projects for reconstruction or upgrading TEN-T railway lines	euro			300,000,000.00			500,205,755.00
8 - Social Inclusion and Health	ERDF	Less developed	Total amount of certified	EUR			97,654,998			419,411,768.00

Priority axis	Fund	Category of region	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018			Final target (2023)		
					M	W	T	M	W	T
			eligible expenditure							
8 - Social Inclusion and Health	ERDF	Less developed	Hospital health care providers receiving support	number			5			30.00
8 - Social Inclusion and Health	ERDF	Less developed	Number of constructed/reconstructed and equipped infrastructure units	No.			300			1,500.00
9 - Education, Skills and Lifelong Learning	ERDF	Less developed	Childcare and education: Capacity of supported childcare or education infrastructure	Persons			15,000			61,000.00
9 - Education, Skills and Lifelong Learning	ERDF	Less developed	Total amount of certified eligible expenditure	EUR			74,210,893			318,723,289.00

## 12.3 Relevant partners involved in preparation of programme

### *Thematic working group I*

#### *Thematic Objective:*

#### *1. Strengthening research, technological development and innovation*

#### *2. Enhancing access to, and use and quality of ICT*

*Lead institution: Ministry of Economy*

#### **Member institutions**

Ministry of Regional Development and EU Funds

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Science, Education and Sport

Ministry of Social Politic and Youth

Ministry of Justice

Ministry of Interior

Ministry of Public Administration

Ministry of Foreign and European Affairs

Ministry of Construction and Physical Planning

Ministry of Defense

**Ministry of Entrepreneurship and Crafts**

Ministry of Labour and Pension System

Ministry of Culture

Ministry of Health – HZZO (Croatian Health Insurance Fund)

Ministry of Tourism

Ministry of Environment and Nature Protection

Ministry of Economy

National Protection and Rescue Directorate

Central Bureau of Statistics

Department for Information Systems Security

BICRO - Business Innovation Croatian Agency

Government Office for Mine Action

Government Office for Cooperation with NGOs

Government Office for Human Rights and Rights of National Minorities

State Geodetic Administration

SRCE – University Computing Centre

CARNET – Croatian Academic and Research

Agency for Investment and Competitiveness

CEI - Centre for Monitoring of the energy sector and investments

Agency for Agricultural Land

Adriatic Croatia

Eastern part of the continental Croatia

Western part of the continental Croatia

Ministry of Finance

Ministry of War Veterans

Ministry of Agriculture

***Thematic Working Group II***

***Thematic Objective***

***3. Enhancing the competitiveness of SMEs, the agricultural sector and the fisheries and aquaculture sector***

***Lead institution: Ministry of Entrepreneurship and Crafts***

**Member Institutions**

Ministry of Regional Development and EU Funds

**Ministry of Entrepreneurship and Crafts**

Ministry of Construction and Physical Planning

Ministry of Economy

Ministry of Culture

Ministry of Foreign and European Affairs

Ministry of Labour and Pension System

Ministry of Agriculture

Ministry of Tourism

Ministry of Science, Education and Sport

Ministry of Environment and Nature Protection

Government Office for Human Rights and Rights of National Minorities

Government Office for Cooperation with NGOs

Government Office for Gender Equality

BICRO - Business Innovation Croatian Agency

HOK – Croatian Chamber of Trades and Crafts

HGK – Croatian Chamber of Economy

HBOR – Croatian Bank for Reconstruction and Development

HUB – Croatian Banking Association

Government Office for Mine Action

HUP – Croatian Employer's Association

State Office for Trade Policy

Croatian Cooperatives' Association

Ministry of Finance

Croatian Agency for SMEs and Investment

Agency for Agricultural Land

Adriatic Croatia

Eastern part of the continental Croatia

Western part of the continental Croatia

ACI d.d. Opatija

Technical assistance, external experts

***Thematic Working Group III***

***Thematic Objective***

*4.Supporting the shift towards a low-carbon economy in all sectors*

*5.Promoting climate change adaptation, risk prevention and management*

*6.Preserving and protecting the environment and promoting resource efficiency;*

***Lead institution: Ministry of Environment and Nature Protection***

**Member Institutions**

Ministry of Environment and Nature Protection

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Construction and Physical Planning

Ministry of Agriculture

Ministry of Regional Development and EU Funds

Ministry of Science, Education and Sport

Ministry of Health

Ministry of Tourism

Ministry of Culture

Ministry of Foreign and European Affairs

**Ministry of Entrepreneurship and Crafts**

Ministry of Justice

Ministry of Economy

Ministry of Defense

Ministry of Finance

State Institute for Nature Protection

DHZ – Meteorological and Hydrological Service

DUZS – National Protection and Rescue Directorate

Government Office for Human Rights and Rights of National Minorities

Croatian Demining Centre

Government Office for Mine Action

State Geodetic Administration

Croatian Firefighting Association

HBOR - Croatian Bank for Reconstruction and Development

FZOEU - Environmental Protection and Energy Efficiency Fund

Croatian Environment Agency

Croatian Competition Agency

Government Office for Cooperation with NGOs

HP – Croatian Post

LIRA – Senj Lika County Development Agency

BICRO - Business Innovation Croatian Agency

Development Agency of Sisak Moslavina County

**ZACORDA - Zagreb County Regional Development Agency**

Zelena akcija (NGO)

HGSS - Croatian Mountain Rescue Service

Šibenik – Knin County

Bjelovar – Bilogora County

HV – Croatian Army

HGK – Croatian Chamber of Economy

HOK – Croatian Chamber of Trades and Crafts

***Thematic Working Group IV***

*Thematic Objective*

*7. Promoting sustainable transport and removing bottlenecks in key network infrastructures*

*Lead institution: Ministry of Maritime Affairs, Transport and Infrastructure*

**Member Institutions**

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Regional Development and EU Funds

Ministry of Finance

Ministry of Economy

Ministry of Culture

Ministry of Environment and Nature Protection

Ministry of Construction and Physical Planning

Ministry of Tourism

Ministry of Foreign and European Affairs

Zelena akcija (NGO)

Energy Institute Hrvoje Požar

HBOR – Croatian Bank for Reconstruction and Development

HŽ Infrastructure LLC

HAC – Hrvatske autoceste LLC

Hrvatske ceste LLC

REGIONS

*Thematic Working Group V*

*Thematic Objective*

*8. Promoting sustainable and quality employment and supporting labour mobility 9. Promoting social inclusion, combating poverty and any discrimination 10. Investing in education, training and vocational training for skills and lifelong learning; Lead institution: Ministry of Labour and Pension System*

**Member Institutions**

Ministry of Labour and Pension System

Ministry of Regional Development and EU Funds

Ministry of War Veterans

Ministry of Economy

Ministry of Construction and Physical Planning

Ministry of Culture

Ministry of Defense

**Ministry of Entrepreneurship and Crafts**

Ministry of Culture

Ministry of Social Politic and Youth

Ministry of Tourism

Ministry of Foreign and European Affairs

Ministry of Environment and Nature Protection

Ministry of Health

Ministry of Science, Education and Sport

Ministry of Finance

Ministry of Public Administration

HZZ – Croatian Employment Institute

HZMO – Croatian Pension Insurance Institute

Government Office for Human Rights and Rights of National Minorities

Government Office for Gender Equality

Government Office for Mine Action

Government Office for Cooperation with NGOs

HGK - Croatian Chamber of Economy

HBOR - Croatian Bank for Reconstruction and Development

Union representatives

HUP – Croatian Employer's Association

HOK - Croatian Chamber of Trades and Crafts

Croatian Firefighting Association

City of Zagreb

REGOS –Central Register of Insured Persons

DUZS - National Protection and Rescue Directorate

Adriatic Croatia

Eastern part of the continental Croatia

Western part of the continental Croatia

***Thematic Working Group VI***

***Thematic Objective***

***11. Enhancing institutional capacity and an efficient public administration***

***Lead institution: Ministry of Public Administration***

**Member Institutions**

GONG - civil society organization

Ministry of Social Politic and Youth

Ministry of Regional Development and EU Funds

Ministry of War Veterans

DUSZ - National Protection and Rescue Directorate

State Geodetic Administration

Government Office for Cooperation with NGOs

Ministry of Public Administration

Ministry of Tourism

Ministry of Environment and Nature Protection

Ministry of Justice

Ministry of Foreign and European Affairs

Ministry of Culture

Ministry of Finance

Ministry of Science, Education and Sport

**Ministry of Entrepreneurship and Crafts**

Ministry of Health

DŠJU – National School for Public Administration

Judicial Academy

Croatian Firefighting Association

Ministry of Maritime Affairs, Transport and Infrastructure

Ministry of Economy

Unions

HUP - Croatian Employer's Association

Ministry of Construction and Physical Planning

Ministry of Labour and Pension System

Government Office for Human Rights and Rights of National Minorities

HGK - Croatian Chamber of Economy

DZS – Croatian Bureau of Statistics

Agency for Agricultural Land

REDEA –Regional Development Agency Međimurje

Association of Cities

SI-MO-RA (Sisak Moslavina County Regional Development Agency)

Customs Administration

Agency for Electronic Media

RERA SD (Public Institution for Coordination and Development of Split Dalmatian County)

Croatian Chamber of Trades and Crafts



## Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
HR_OPCC_Annex to Section 4 ITI Table	Programme annexes	08-Dec-2014		Ares(2014)4118755	HR_OPCC_Annex to Section 4 ITI Table	09-Dec-2014	npuljija
HR_OPCC_EX_ANTE_EVALUATION_REPORT_27_11_2014	Report of the ex-ante evaluation	27-Oct-2014		Ares(2014)4118755	HR_OPCC_EX_ANTE_EVALUATION_REPORT_27_11_2014	09-Dec-2014	npuljija
HR_OPCC_EAC_Additional_Information_Annex_08_12_2014	Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities	08-Dec-2014		Ares(2014)4118755	HR_OPCC_EAC_Additional_Information_Annex_08_12_2014	09-Dec-2014	npuljija
HR_OPCC_Non-technical Summary of SEA Report_27_11_2014	Programme annexes	27-Nov-2014		Ares(2014)4118755	HR_OPCC_Non-technical Summary of SEA Report_27_11_2014	09-Dec-2014	npuljija
HR_OPCC_Annex to Section 7_1 Relevant Authorities and Bodies on Implementation Arrangements	Programme annexes	08-Dec-2014		Ares(2014)4118755	HR_OPCC_Annex to Section 7_1 Relevant Authorities and Bodies on Implementation Arrangements	09-Dec-2014	npuljija
HR_OPCC_SEA documentation	Programme annexes	13-Nov-2014		Ares(2014)4118755	HR_OPCC_SEA documentation	09-Dec-2014	npuljija
HR_OPCC_Opinion of National Equality Bodies on 11_2 and 11_3 Chapters	Opinion of national equality bodies on sections 12.2 and 12.3	27-Nov-2014		Ares(2014)4118755	HR_OPCC_Opinion of Gender Equality Ombudswoman od 11_2 and 11_3 Chapters HR_OPCC_Opinion of Ombudswoman for Persons with Disabilities on 11_2 Chapter HR_OPCC_Opinion of Ombudswoman on 11_2 and 11_3 Chapters HR_OPCC_Opinion of Office for Human Rights and Rights	09-Dec-2014	npuljija

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
					of National Minorities on 11_2 and 11_3 Chapters		
HR_OPCC_Report on conducted SEA procedure_27_11_2014	Programme annexes	27-Nov-2014		Ares(2014)4118755	HR_OPCC_Report on conducted SEA procedure_27_11_2014	09-Dec-2014	npuljija
HR_OPCC_Annex Citizens Summary	Citizens' summary	27-Nov-2014		Ares(2014)4118755	HR_OPCC_Annex Citizens Summary	09-Dec-2014	npuljija
HR_OPCC_Annexes to Chapter 4.5 Macroregional Strategies	Programme annexes	27-Nov-2014		Ares(2014)4118755	HR_OPCC_EUSAIR & OPCC Corelation Table Annex to Chapter 4_5 HR_OPCC_EUSDR & OPCC Corelation Table Annex to Chapter 4_5	09-Dec-2014	npuljija