

Ex-ante evaluation for
Interreg IPA CBC Programme
Croatia – Bosnia and Herzegovina - Montenegro 2014-2020

EX-ANTE EVALUATION REPORT

Final Report

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EX ANTE EVALUATION REPORT

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LIST OF ABBREVIATIONS

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

EXECUTIVE SUMMARY

This report contains the final evaluation of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia Herzegovina – Montenegro 2014-2020 (henceforth also “Interreg IPA CBC HR-BiH-ME” or “the CP”).

The *ex ante* evaluation report is based on the final programme document of 23 July 2015 (Version 2.0) and fulfils all the requirements of Article 55 of Regulation 1303/2013 of the European Parliament and of the Council.

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

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

As mentioned, the report refers to the final programme document of 23 July 2015 (Version 2.0), however, it is based on the earlier ex ante report of November 2014 .The process of negotiation with the Services of the EU Commission (henceforth also “negotiations”), started with the integrated comments of the official draft of November 2014, has led to an overall revision of the CP, substantiated mainly in:

- the removal of a specific objective (S.O. 3.2.);
- the refining/rewording of some S.O.;
- the extensive reformulation/alignment of the proposed types of actions (ToA) under each Thematic Priority (TP) /Specific objective (SO);
- the overall revision of the indicators, their targets and baseline values (where applicable)
- the integration of the remaining parts of the CP and of its Annexes as the institutional and administrative framework was completed.

Altogether, the negotiation process led to a significant improvement of the document in terms od consistency and alignment with the objectives.

The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia Herzegovina – Montenegro 2014-2020, in its final version, has a total value of 57.155.316 Euros. It is structured in five Priority Axis, including the PA Technical Assistance, covering as many Thematic Priorities, articulated in six Specific Objectives.

The programme strategy

The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro is supported by an extensive and appropriate territorial situation analysis for the entire cooperation area,

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bearing in mind the little space available for this description in the Programme template and the large area that needs to be covered. This situation analysis was elaborated on ground of an “initial scoping of needs and challenges”, which was carried out during the programme preparation phase and assessed by the ex-ante evaluation.

The process of refinement of the description of the analysis has overcome many of the initial problems, concerning mostly quantity and quality (homogeneity) of data due to differences in the definition, methods of collection and elaboration, territorial breakdown and timeliness of data among (and within) the countries involved in the Programme. Such data issue reflects significantly on the choice of indicators, as discussed further in the report.

Nonetheless, the analysis has been effectively supported by the members of the Task Force for programming, as witnessed by the evaluators, who took part in the process, although starting from an already advanced stage of development.

The specific objectives of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro are consistent because they well reflect the regional-level challenges/needs and interregional cooperation potentials which are identified in the Programme’s territorial situation analysis. They enjoy also the strong support and “ownership” by the stakeholders involved in the programming process.

The CP shows a high degree of internal coherence. This overall conclusion is supported by the following key findings of our in-depth appraisal:

- The objective tree of the Interreg IPA CBC HR-BiH-ME as a whole is reasonable and logically coherent. During the process of negotiations it has acquired in terms of concentration and result orientation, in line with the characteristics of the 2014-2020 programming period.
- When considering the nature and extent of the *interdependence relations* between the specific objectives of the CP, we observed significant and positive cross- impacts, with high levels of interactions, and notably, absence of conflicts among the specific programme objectives. This means that the types of action realised under a given specific objective are most often also positively contributing to achievement of other specific objectives.
- Finally, also a larger number of key synergy potentials within the objective system of the Interreg IPA CBC HR-BiH-ME were identified, analysed and pro-actively considered by the Programmers.

The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro shows a high degree of external coherence. This overall conclusion is supported by the following key findings of our in-depth appraisal:

- The specific objectives and types of action of Interreg IPA CBC HR-BiH-ME consider quite substantially several objectives, principles or actions which are promoted by a number of important European-level policy strategies and programmes (esp. Territorial Agenda of the European Union 2020, “COSME”, “Horizon 2020”, EU-level roadmap for moving to a competitive low carbon economy by 2050; EU-level roadmap to a resource efficient Europe). The CP has, therefore, clear potentials for making strong

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complementary contributions, which support the realisation of those European-level policy strategies and programmes.

- The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro brings a direct contribution to the achievement of the Europe 2020 targets. The core of the CP's purpose is to increase the capacities of the programme area regions in delivering better results of policies and programmes and thereby bring an important contribution by improving the effectiveness of the Europe 2020 related policies and projects. The main contribution of the specific programme objectives focuses on smart and sustainable growth, while also a considerable contribution to inclusive growth is seen. Furthermore, the programme supports territorial cohesion, although at a more variable scope.
- The Interreg IPA CBC HR-BiH-ME, also, appear well posed to provide a positive contribution to the Danube Region Strategy 2020, to the Strategy for the Adriatic Ionian (ADRION) region and to the Southeast Europe 2020 strategy for the programming period 2014-2020.
- The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro contains clear and also appropriate provisions showing how complementarity, mutual cooperation and coordination will be achieved in relation to the other EU-funded Programmes (national, regional) provided within the Partnership Agreement (Croatia) and the Indicative Country Strategy Paper of Bosnia and Herzegovina (Draft of March 2014) and of Montenegro.

The intervention logic of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro is clearly articulated at the level of each Thematic Priority and across all Thematic Priorities, which enables the Programme in principle to attain the specific objectives.

The horizontal EU-Principles referred to in Articles 7 and 8 of the CPR are considered in a quite differentiated way and supported in their concrete application by the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro. The principles of promoting equal opportunities between men and women (incl. an integration of the gender perspective) and of preventing discrimination are not directly considered by most of the specific programme objectives, however, they are indirectly supported in their concrete application by introducing criteria providing premium marks in the selection criteria of operations.

This, however, can be considered sufficient and justified by the particular thematic focus of these specific programme objectives. The sustainable development principle, on the contrary, is extensively considered by the specific objectives of Priority Axis 2 and the related types of action can make a very strong direct contribution to actively promoting particular aspects, which are related to this principle (esp. environmental protection requirements, resource efficiency, and climate change mitigation).

Indicators system and arrangements for monitoring and evaluation

In the Interreg IPA CBC Programme HE-BA-ME 2020, the choice of indicators is heavily affected – definitely more than in other comparable programme – by issues of data availability, both in terms of

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existence and homogeneity, in the whole programme area. Especially the choice of suitable result indicators is strongly affected and somehow frustrating for the programmers.

However, the output indicators are relevant and all of the minor issues for improvement raised in the course of the programming and evaluating process were addressed in satisfactory way. Likewise, the target values are sensible and the arrangements for monitoring appropriate.

The result indicators at this stage, are defined and coherent with regard to the specific objectives. Baseline have been quantified for all indicators in the Programme. The target values set for result indicators tend to be generally appropriate, although not very ambitious. ***It is recommended that the MA provides assistance to the National (and where applicable, local authorities) in charge of calculating some result indicators; in order to ensure consistency and timeliness of the elaboration of indicators.***

The MA accepted to produce specific “indicator sheets” detailing a number of information (e.g. definitions, methods of collection of data and elaboration of necessary data, etc.) useful to monitor, verify and guarantee coherence of the handling of indicators over time. ***The information and detail of such sheets should be constantly reviewed and improved in order to facilitate monitoring, evaluation and analysis of the implementation process, but also to capitalize and systematize all acquired knowledge or experience in dealing with data and indicators.***

The monitoring provisions seem sensible and likely to provide the necessary support to the decision-making and evaluation of the programme. Based on the experiences from the previous programming period and connected to the mainstream ESI Funds system, the monitoring system appears well positioned to respond to the requirements.

Financial allocations of the Programme

The ETC-Regulation does require cross-border cooperation programmes to limit the number of thematic objectives to be selected, and the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro deliberately adopted a concentration on four thematic priorities (TP 1, TP 2, TP 4, TP 7) which also implies that the bulk of the total ERDF funding available to the Programme (90%) is allocated to these objectives.

The present distribution of the financial resources among the four thematic priorities and corresponding Priority Axes of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro is adequate: it reflects not only the high weight given to the challenges/needs and targets of the Europe 2020 fields of action “Innovation”, “Competitiveness”, “Energy Efficiency” and “Combating Climate Change”, but also the high level of consideration of these fields of action by the specific programme objectives and the related types of action. Furthermore, more than 83% of the total programme resources (net of TA) are concentrated on synergic SOs, i.e.: producing interaction and support among SO and PAs.

Programme implementation structures & partnership

The description of the management and control system of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro fulfils to a large extent the content-related

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expectations which were set out by the European Commission in the “Model for the Operational Programme under the ETC-goal” and therefore fully complies with the requirements of Article 8 (4) (a) and (b) of the ETC-Regulation.

The partnership arrangements adopted during the preparation of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro and for the future implementation of the Programme fulfil the qualitative requirements set out by the “European Code of Conduct on Partnership”.

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

Ex ante evaluation requirements (Art. 55 of Reg. 1303/2013)	Summary assessment
(a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs and potential for development as well as lessons drawn from previous programming periods;	<p>The Interreg IPA CBC HR-BA-ME 2014-2020 includes a range of interventions that are robustly grounded in the needs of NUTS III regions in the cross border territory of the three countries involved. The programme strategy is informed by a wide ranging evidence base, that has managed to overcome issues of availability or homogeneity of data among the territories of the programme areas. Lessons learnt from previous programming periods, although considered, have not emerged in full, maybe, due to space limitation.</p> <p>The Interreg IPA CBC HR-BA-ME 2014-2020 seems well placed to make an impact on the programme area and has the potential to contribute to the Union Strategy for smart, sustainable and inclusive growth – particularly to the sustainable and inclusive growth and to a lesser extent to the targets relating to smart growth targets.</p>
(b) the internal coherence of the proposed programme or activity and its relationship with other relevant instruments;	<p>The priorities and specific objectives are coherent and complementary and should work well together in supporting the proposed interventions. The Interreg IPA CBC HR-BA-ME 2014-2020 fits well within, and contributes to, the existing policy framework both at European level and respective National level.</p>
(c) the consistency of the allocation of budgetary resources with the objectives of the programme;	<p>The balance of financial allocations across the programme priorities is fair and consistent with the programme strategy. It also complies with regulatory requirements on concentrations.</p>
(d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programme with the CSF, the Partnership Agreement and the relevant country specific recommendations adopted in accordance with Article 121(2) TFEU and where appropriate at national level, the National Reform Programme;	<ul style="list-style-type: none"> • There is a <i>relatively</i> high level of consistency between the selected thematic objectives, priorities and objectives. • The priorities have a firm basis in the needs of the programme area – drawing on the strengths and weaknesses and targeting key challenges facing the region. • The priorities and specific objectives are consistent with and fit well within relevant thematic objectives and investment priorities but are appropriately tailored to the specific needs of the programme area; • The priorities and specific objectives are coherent and complementary and should work well together in supporting the proposed interventions; and • The actions proposed in the programme are appropriate and suitably reflect the intentions under the development needs, the Investment Priority, Specific Objective.
(e) the relevance and clarity of the	<ul style="list-style-type: none"> • Result Indicators appear relevant, clear and linked to the

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Ex ante evaluation requirements (Art. 55 of Reg. 1303/2013)	Summary assessment
proposed programme indicators;	<p>achievement of the specific objectives.</p> <ul style="list-style-type: none"> • All the indicators have been developed in co-ordination with the Implementing Bodies responsible for their recording and collection. • The programme developers <i>are establishing</i> a robust system for monitoring and collection of data with Administration Agreements to be put in place to cover the timely collection and monitoring of all programme performance data.
(f) how the expected outputs will contribute to results;	<ul style="list-style-type: none"> • The Intervention Logic developed for the IPA CBC HR-BA-ME 2014-2020 is sound and well-reasoned and the logic between the various stages is robust. • Result indicators have been significantly improved and their calculations (and definition) can be improved as well during implementation. • Outputs appear to be <i>satisfactorily</i> linked to the actions of the programme and will contribute to achievement of results. • Output Indicators are <i>adequately</i> linked to the actions of the programme.
(g) whether the quantified target values for indicators are realistic, having regard to the support envisaged from the ESI Funds;	<p>All indicators have been developed in co-ordination with the Implementing Bodies responsible for their recording and collection. Target values have been informed by this process and therefore are based on experience and stakeholder input. Target values and, where applicable, baseline values, have been quantified and appear to be realistic.</p>
(h) the rationale for the form of support proposed;	<p>There is a strong rationale for the forms of support proposed, taking into account</p> <ul style="list-style-type: none"> • Appropriateness to Specific Objectives of the Programme • Appropriateness to types of beneficiaries, etc. Appropriateness of Form of Support to address the Failure Identified • Absorption capacity
(i) the adequacy of human resources and administrative capacity for management of the programme;	<ul style="list-style-type: none"> • The Programme Developers are taking steps to ensure that the mechanisms are in place to ensure that all aspects of programme implementation (including monitoring and evaluation) are managed effectively and efficiently.
(j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;	<ul style="list-style-type: none"> • All of the Implementing Bodies have considerable experience in delivering these types of schemes and have robust systems in place. • The TA axis provides for resources to ensure that further training can be provided, should such a need arise.
(k) the suitability of the milestones selected for the performance framework;	<p>Not applicable to Interreg IPA CBC Programmes.</p>
(l) the adequacy of planned measures to promote equal opportunities between men and women and to prevent any discrimination, in particular as regards accessibility for persons with disabilities;	<p>Programme developers have given due consideration to integrating Horizontal Principles. The programme includes actions that go beyond the regulatory requirements for Horizontal Principles and that demonstrate a realistic and pragmatic approach to integrating Horizontal Principles - taking on board lessons from previous programming periods. The programme includes specific actions to promote and monitor equal opportunities between men and women and to prevent discrimination.</p>
(m) the adequacy of planned	<p>sustainable development.</p>

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Ex ante evaluation requirements (Art. 55 of Reg. 1303/2013)	Summary assessment
measures to promote sustainable development;	
(n) measures planned to reduce the administrative burden on beneficiaries.	The Programme addresses the reduction of administrative burden for beneficiaries through a number of specific measures to support managing and implementing the programme effectively and efficiently included in the Technical Assistance Priority Axis (SO 5.1). The programme developers need to acknowledge the Commission's Proposals for the Harmonisation and Simplification of CSF Programmes.

1. OBJECT OF THE REPORT

This report contains the final evaluation of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia Herzegovina – Montenegro 2014-2020 (henceforth also “Interreg IPA CBC HR-BiH-ME” or “the CP”).

The report is based on the final programme document of 23 July 2015 (Version 2.0), as well as earlier programme drafts and programme meetings. The ex-ante evaluation process has been characterised by an iterative process between commentary and programme drafts as well as workshops and meetings with the programmers. The evaluation criteria and the methods are based on the ex-ante evaluation guidelines of the EU Commission as well as the relevant regulations.

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

The structure of the Evaluation Report respond to all requirements of Article 55 of Regulation 1303/2013 of the European Parliament and of the Council, as reflected in the sections titles.

The process of negotiation with the Services of the EU Commission (henceforth also “negotiations”), started with the integrated comments of the official draft of November 2014, has led to an overall revision of the CP, substantiated mainly in:

- the removal of a specific objective (S.O. 3.2.);
- the refining/rewording of some S.O.;
- the reformulation/alignment of the proposed actions under each Thematic Priority (TP) /Specific objective (SO);
- the overall revision of the indicators, their targets and baseline values (where applicable).

The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia Herzegovina – Montenegro 2014-2020, in its final version, has a total value of 57.155.316 Euros. It is structured in five Priority Axis, including the PA Technical Assistance, covering as many Thematic Priorities, articulated in six Specific Objectives.

In the following synoptic table, the structure of the programme is presented, providing also a detail of the proposed actions.

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Table 1.1 - Structure of the Interreg Interreg IPA CBC Programme Croatia – Bosnia Herzegovina – Montenegro 2014-2020

PRIORITY AXIS	SPECIFIC OBJECTIVE	TYPE OF ACTIONS
<p>1. Improving the quality of the services in public health and social care sector across borders (TP1)</p> <p style="text-align: center;">Budget: 8.573.297,00 EUR</p>	<p>1.1. To improve the quality of the services in public health and social care sector across the borders</p>	<ul style="list-style-type: none"> - Providing support to public health and social care institutions in improving accessibility and effectiveness (e.g. small infrastructure and equipment), including related pilot projects. - Developing and implementing joint lifelong learning and training programmes addressing skills and needs in the area of health and social care. - Developing and implementing joint activities on enhancing the quality of health care and social care (e.g. joint health services delivery, promoting healthy lifestyles and active and healthy aging, disease prevention implementation plan, etc.) - Implementing ICT solutions in order to improve public health and social care services. - Developing schemes and using ICT tools for establishing networking structures for the purpose of common disaster response across the borders. - Joint strengthening of health care for vulnerable groups with focus on elderly, including palliative care and children. - Awareness rising activities in promotion of different types of services available for vulnerable groups. - Networking of organisations (e.g. health care and social care institutions, family centres, education institutions, etc.) in order to create joint activities for enhancing accessibility to health and social services. - Implementing exchange of experience concerning the identification, transfer and dissemination of good practices and innovative approaches as well support to the sustainability and implementation of the Cross-border Healthcare Directive (2011/24) and European Reference Networks, especially in relation to the aims of territorial cohesion, including territorial aspects and harmonious development of Union territory.

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PRIORITY AXIS	SPECIFIC OBJECTIVE	TYPE OF ACTIONS
<p style="text-align: center;">2. Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency (TP2)</p> <p style="text-align: center;">Budget: 14.288.830,00 EUR</p>	<p>2.1. To promote and improve environment and nature protection and management systems for risk prevention</p>	<ul style="list-style-type: none"> - Developing and implementing joint environmental management initiatives in the area of environment and nature protection (e.g. monitoring and exchange of data, biodiversity and geo-diversity maps, management plans for nature protected areas of cross-border interest, marine protected areas, maritime spatial planning and integrated coastal management for cross-border areas, , etc.) - Implementing joint initiatives for designation and preservation of cross-border habitats (including large carnivore habitats) and ecosystems with high biodiversity value, including protection and restoration of coastal wetland areas and karst fields relevant for the Adriatic Flyway - Implementing joint actions in the area of monitoring and managing environmental protection addressing locally specific cross-border priorities and/or contributing to implementation of higher-level regional initiatives such as Sava River Basin Management Plan and the EU Strategy for the Adriatic and Ionian Region. - Implementing awareness-raising activities, information campaigns and education and training concerning environmental and nature protection. - Improving emergency preparedness and risk prevention systems that addresses existing as well as expected cross-border hazards (fires, floods, draughts, hazardous pollution events, including trans boundary air and water pollution and other natural disasters) through, for example: adopting comprehensive multi-hazard framework to risk management and communication, harmonizing information about risks using internationally accepted definitions and guidelines, addressing priority gaps and needs for exchanging available data, developing and/or implementing plans that specify standard operating procedures on local level (who, what, when, how and with whom) based on higher level initiatives for disaster management). - Implementing cross-border measures and tools for reducing or mitigating environmental problems and risks, including small-scale infrastructure and equipment. - Implementing joint interventions in case of accidents and natural disasters and establishment of strong cooperation between the emergency centres, including small-scale infrastructure and equipment.
	<p>2.2. To promote utilization of renewable energy resources and energy efficiency</p>	<ul style="list-style-type: none"> - Developing and implementing joint pilot and demonstration projects on innovative technologies and solutions in the field of energy efficiency and renewable energy resources. - Joint investing in public infrastructure on sustainable energy production and energy efficiency. - Joint incentives in order to improve planning and regulatory framework in the area of renewable energy resources and energy efficiency (e.g. analyses, comparisons, recommendation, local/regional action plans etc.). - Implementing transfer of knowledge (awareness rising), exchange of experience and capacity building on the utilization of renewable energy resources and energy efficiency. - Elaboration of joint studies and documentation on (the utilization of) renewable energy resources and energy efficiency.

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PRIORITY AXIS	SPECIFIC OBJECTIVE	TYPE OF ACTIONS
<p>3. Contributing to the development of tourism and preserving cultural and natural heritage (TP4)</p> <p style="text-align: center;">Budget: 17.146.595,00 EUR</p>	<p>3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage</p> <p>STRATEGIC PROJECT</p> <p>To create conditions for sustainable development in hinterland areas and its demographic reconstruction (HR-BA-ME) through the incentives for development of rural tourism and related infrastructure</p>	<ul style="list-style-type: none"> - Developing, promoting and branding of joint tourism niches and products including development of joint tourism activities and diversification and sustainable tourism offer (inclusion of other sectors e.g. agriculture, organic food supply, handicrafts and other local products, culture, sustainable transport, etc. in order to develop projects in ecotourism, hunting, rural, mountain, excursion, cultural, adventure, religious, nautical, conference, health and wellness and spa tourism. - Developing complementary services in tourist offer - Promoting and introducing (international) certifications and standards, in order to improve the quality of tourism providers and their services. - Supporting development and improvement of destination management capacity building in tourism sector (e.g. by developing destination management skills and focusing on quality (e.g. standardisation) and integration of offers, tourist destination development, management, marketing and promotion). - Implementing cross-border networking of institutions in tourism sector, including establishment of clusters. - Developing the cross-border tourism offer including the development of innovative products and services and using ICT and other technologies (e.g. GPS routes, booking systems). - Developing and improving small-scale tourism infrastructure such as: walking paths, cycling routes, hiking, riding trails, signposting, visitor centres, etc., privileging the cross border approach. - Implementing joint incentives of integrating culture, nature and leisure activities into sustainable tourism offer in the programme are taking care of preservation of nature and cultural protected areas (e.g. marine and coastal environment, historical and cultural sites, etc). - Valuating, preserving, restoring and reviving (e.g. animation of site) cultural, historical and natural heritage e.g. UNESCO and other historical and cultural sites and landscapes, including enabling or improving access to them, but at the same time preserving marine and coastal environment. - Enabling joint cultural cooperation initiatives including creation of joint cultural events such as cultural festivals, cultural exchanges, joint theatre performances or joint/traveling exhibitions. - Developing and implementing training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) on cultural and natural heritage. - Implementing Investments in certification including training, equipment supply but also small scale infrastructure on cultural and natural heritage. - Developing and promoting public cultural and heritage services.

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PRIORITY AXIS	SPECIFIC OBJECTIVE	TYPE OF ACTIONS
<p style="text-align: center;">4. Enhancing competitiveness and developing business environment in the programme area (TP7)</p> <p style="text-align: center;">Budget: 11.431.063,00 EUR</p>	<p>4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area</p>	<ul style="list-style-type: none"> · Support to business support institutions and establishment of and support to existing and new business related sectorial networks and organisations in order to enhance standardisation, product protection, marketing and development of cross-border markets. · Developing and supporting existing business clusters and networks of SMEs in applying ICT, innovation and new technologies in order to develop and promote common products for local cross-border and international markets. · Implementing actions aiming at networking, dissemination of good practices and innovative approaches and cooperation between business support institutions, clusters and SMEs at national, regional and local level in the programme area. Supporting business support institutions in improving the capacity of entrepreneurs including micro entrepreneurs such as family farms/households regarding marketing, branding, market research, e-business, competitiveness and education and training in entrepreneurship skills. · Increasing cooperation between research institutions, clusters, businesses, public sector & development organisations to stimulate innovation and entrepreneurship to improve business innovativeness and technology based on smart specialization approach. · Supporting actions related to development of innovative products and services (e.g. patents, industrial design, trademark and innovation, etc.) · Promoting and introducing (international) certifications and standards of existing and new products and services. - Implementing joint research and development activities involving the research and educational centres in the programme area in order to increase competitiveness. - Implementing cross-border development, adaptation and exchange of best practices in application of ICT, new technologies, processes, products or services to be directly used by the enterprises between the clusters or groups of business, R&D and education institutions. - Establishing and supporting development agencies, technological and competence centres, laboratories and local ICT infrastructure for common use of the enterprises in the programme area in order to upgrade the existing and develop new products, services, processes or prototypes.
<p style="text-align: center;">5. Technical Assistance</p> <p style="text-align: center;">Budget: 5.715.531,00 EUR</p>	<p>5.1. To manage and implement the programme effectively and efficiently</p>	<p>Actions to support managing and implementing the programme effectively and efficiently:</p> <p>Actions to support applicants and beneficiaries and to strengthen the involvement of relevant partners in programme implementation</p>

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2. APPRAISAL OF THE PROGRAMME STRATEGY

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

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

In each of the three sections the presentation is structured as follows: review of previous assessment, assessment of the current programme document and provision of the remaining observations/recommendations to strengthen the CP, if the case.

2.1 THE CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH, HAVING REGARD TO THE SELECTED THEMATIC OBJECTIVES AND PRIORITIES, TAKING INTO ACCOUNT NATIONAL AND REGIONAL NEEDS AND POTENTIAL FOR DEVELOPMENT AS WELL AS LESSONS DRAWN FROM PREVIOUS PROGRAMMING PERIODS (art. 55 Reg. CE 1303/2013, lett. “a”)

2.1.1 CHALLENGES AND NEED

This section discusses some overall issues on how challenges and needs are identified, justified and prioritized. From our appraisal it appears that a very concise but appropriate territorial situation analysis is carried out for the cooperation area in Sub-section 1.1 of the programme document, which summarises well the more extensive scoping of needs and challenges that was realised during the preparation phase. The territorial situation analysis identifies, for each of the three main priorities of the Europe 2020 Strategy (i.e. smart, sustainable and inclusive growth), a number of regional-level challenges and needs as well as related potentials for future crossborder cooperation.

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

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(“Fighting Poverty”, “Employment”, “Digital Society”) are given medium-low weight in the programmes’ situation analysis.

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

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

The description is not supported by the desired quantity and homogeneity of data due to differences in the definition, methods of collection and elaboration, territorial breakdown and timeliness of data and indicators among (and within) the countries involved in the Programme, although with differing situations. On the one end of the spectrum, in fact, Croatia in its path to accession has fully harmonised its statistical system to Eurostat and has greatly enhanced the territorial level of collection of data for territorial planning. On the other end, Bosnia and Herzegovina sees data collected with different methods between the two entities constituting the Federation, and data are not available at sub-entity level (i.e.: municipality level). Such an issue reflects heavily on the choice of indicators, as discussed further in the report.

Nonetheless, the analysis has been effectively supported by the members of the Task Force for programming, as witnessed by the evaluators, who took part in the process, although starting from an already advanced stage of development.

In the initial review in July 2014 as well as later reviews, the assessment asked for a more stringent presentation of the contents of the SWOT. In particular, the mixture of “different” types of opportunities, which made it appear more like desired outcomes than the result of a thorough analysis of external favorable conditions, was identified as problematic. Especially less local strengths and weaknesses and more trans-national aspects were called for. The reworked SWOT, on indications of the ex ante evaluator, has definitely improved since the now presented strengths and weaknesses seem well linked to the analysis and the priorities set in the programme.

2.1.2 PROGRAMME STRATEGY AND SPECIFIC OBJECTIVES

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

1. Cross-border character: assesses the degree to which cooperation is necessary to resolve important policy issues of cross-border nature (i.e. not able to be resolved unilaterally) and relevant for the CP area, or the degree to which cooperation adds significant value.

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2. Continuity: assesses whether the thematic priority and its identified intervention areas capitalize on results achieved by previous programming periods.
3. Complementarity: assesses the existence of synergies and complementarities with mainstream programmes to be implemented during 2014-2020 in the CP area.
4. Relevance: it reflects the prioritization of needs and challenges in the cross-border area as portrayed in the analysis of the existing situation.
5. Demand: it reflects demand for specific interventions, as evidenced by the consultation process followed for the drafting of the programme.
6. Institutional capacity: assesses the existence of established institutional capacity in the border region to implement actions within the thematic priority, as evidenced by the consultation process followed for the drafting of the programme, data from the implementation of the current programme, specific evaluations, etc.

In the earlier CP drafts not all objectives were directly reflected, i.e. based on/correspond to a need, problem or challenge. These were not explicitly included in the strategy description, and in some cases not in the SWOT. However, in the first official draft submitted to the services of the EU Commission the programme objectives were well aligned towards identified challenges and opportunities. The statements concerning challenges facing the Croatia – Bosnia and Herzegovina - Montenegro crossborder were specific, comprehensive and in some of the sectors region-specific. Many crossborder areas in Central or Southern Europe would probably agree that these or very similar challenges are important issues to tackle, yet the level of specificity in this particular programme will sufficiently guide the selection of projects for funding. The choice of thematic priorities was based on in-depth analysis of the needs in the crossborder region as described in the CP. TP 1, TP 2, TP 4 and TP 7 were chosen as the most relevant thematic priorities to steer the programme development.

As a result of the comments from the Services of the EU Commission, the programmers, in close contact with the Task Force, have further revised the strategy (eliminating a SO and revising the indicative actions envisaged for each TP) and the strategy section of the CP leading overall to a further improvement.

Overall, it is the assessment of the ex-ante evaluator that the objectives of the CP reflect the needs of the region and areas relevant for crossborder cooperation between Croatia & Bosnia and Herzegovina - Montenegro. It is the evaluators' assessment that the selected TPs overall reflect the regional situation and needs of the programme area, in particular, as emerging from the SWOT analysis.

2.1.3 RELEVANCE WITH EUROPE 2020 STRATEGY

The intervention strategy of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro consists of four thematic priorities (TPs) with each being related to one Priority Axis (PA) and of six related specific objectives (SOs). Our appraisal confirms that the six SOs are consistently reflecting the regional-level challenges/needs and crossborder cooperation potentials as identified by the territorial situation analysis. The weight given to the EU-wide challenges/needs and targets of the nine Europe 2020 fields of action in the programmes' situation analysis is in nearby all cases reflected in a corresponding level of consideration by the specific programme objectives (see Table 1). Only for the Europe 2020 field of

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action “Employment”, the medium/low weight given to the related challenges/needs and interregional cooperation potentials in the situation analysis is not reflected in a corresponding level of consideration by the SOs. This clear deviation is, however, adequately justified in the programme. On the one hand, the introduction of ICT is perceived as a crosscutting theme that links in with the other thematic objectives. Due to this, development issues related to the availability of ICT-infrastructures are addressed under SO 4.1 and references on other specific ICT-development opportunities are included under the descriptions of the specific programme objectives SO 2.1. When the “Employment” is concerned, it has been felt that the most appropriate approach needs to be made at national level, while the crossborder dimension is not suitable to produce an effect on the causes of the problem. However, employment opportunities issues are considered in virtually all S.O..

A verification of whether the specific objectives are sufficiently precise to demonstrate how the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro can address the EU-wide challenges/needs in practice is not difficult to realise, mainly because of the particular nature of this Programme. The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro has to address the identified challenges/needs and crossborder cooperation potentials in a rather limited territorial context which will expose the Programme in practice to only moderate structural and operational diversity (i.e. specific regional-level situations/constellations as regards the general EU-wide challenges & needs identified; different regional-level policies/approaches and actors dealing with the EU-wide challenges & needs etc.). The Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro does also not intend to tackle EU-wide challenges/needs directly, but to intervene “very modestly” through infrastructure improvements and “indirectly” through generating changes in topic-related policies that are induced by exchange of experience and learning processes and a transfer of good practices.

Bearing this in mind, it then becomes clear that the Programme must rather adopt specific objectives that are sufficiently wide in order to achieve its specific own contribution to the Europe 2020 Strategy.

The following table **Tab. 2.1.3.1** consider the identified challenges & needs by the specific programme objectives, while **Table 2.1.3.4** provides a synoptic view of the coherence of the CBC IPA Programme HR-BA-ME with the objectives and targets of EUROPE 2020 STRATEGY and with the FLAGSHIP INITIATIVES.

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Table 2.1.3 Consideration of the identified challenges & needs by the specific programme objectives

Programme Objectives		Identified & weighted regional-level challenges/needs & interregional cooperation potentials for the nine “fields of action” of the Europe 2020 Strategy								
		Smart Growth: (weight given to “fields of action” in the territorial situation analysis)			Sustainable Growth: (weight given to “fields of action” in the territorial situation analysis)			Inclusive Growth: (weight given to “fields of action” in the territorial situation analysis)		
Thematic Priority (TP) & Priority Axis (PA)	Specific Objective (SO)	Innovation	Education, Training and LLL	Digital Society	Competitiveness	Combating Climate Change	Clean & efficient energy	Employment	Skills	Fighting Poverty
		(high)	(medium)	(medium/low)	(high)	(high)	(high)	(medium/low)	(medium)	(medium/low)
1. Public health and Social care sector	1.1. To improve the quality of the services public health and social care sector across the borders	0	+++	+	0	0	0	+	++	++
2. Environment, biodiversity, risk prevention, sustainable energy and energy efficiency	2.1. To promote and improve environment and nature protection and management system for risk prevention	++	++	+	+	+++	+	+	++	0
	2.2 To promote utilization of renewable energy resources and energy efficiency	+	++	0	+	+++	+++	+	+	0

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Programme Objectives		Identified & weighted regional-level challenges/needs & interregional cooperation potentials for the nine “fields of action” of the Europe 2020 Strategy								
		Smart Growth: (weight given to “fields of action” in the territorial situation analysis)			Sustainable Growth: (weight given to “fields of action” in the territorial situation analysis)			Inclusive Growth: (weight given to “fields of action” in the territorial situation analysis)		
Thematic Priority (TP) & Priority Axis (PA)	Specific Objective (SO)	Innovation	Education, Training and LLL	Digital Society	Competitiveness	Combating Climate Change	Clean & efficient energy	Employment	Skills	Fighting Poverty
		(high)	(medium)	(medium/low)	(high)	(high)	(high)	(medium/low)	(medium)	(medium/low)
4. Tourism, Cultural and Natural Heritage	3.1. To strengthen and diversify, the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	+	++	0	++	0	0	++	++	+
7. Competitiveness and business environment development	4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	+++	++	+	+++	0	0	++	+	+

Appraisal:
+++ = Extensive and strong direct consideration ++ = Focussed and strong direct consideration + = Weak direct or indirect consideration 0 = No consideration

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Table 2.1.3.2. COHERENCE TABLE. EUROPE 2020 STRATEGY (OBJECTIVES & TARGETS) AND FLAGSHIP INITIATIVES

PRIORITY AXIS		Europe 2020 Strategy (Objectives & Targets)								Europe 2020 Flagship Initiatives						
		3% of the EU's GDP to be invested in R&D/innovation	20% greenhouse gas emissions reduction compared to 1990 levels	20% of energy from renewables	20% increase in energy efficiency	75% of the 20-64 year-olds to be employed	Reducing early school leaving to less than 10%	At least 40% of 30-34-year-olds completing tertiary or equivalent education	Reducing the number of people in or at risk of poverty or exclusion by at least 20 million	Smart growth			Sustainable growth		Inclusive growth	
										Digital agenda for Europe	Innovation Union	Youth on the move	Resource efficient Europe	An industrial policy for the globalisation era	An agenda for new skills and jobs	European platform against poverty
1. (TP 1) Improving the quality of the services in public health and social care sector																
SPECIFIC OBJECTIVES	1.1. To improve the quality of the services in public health and social care sector across the borders	0	0	0	0	1	1	1	2	0	0	0	0	0	1	1
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency																
SPECIFIC OBJECTIVE	2.1.To promote and improve environment and nature protection and management systems for risk prevention	0	2	2	1	0	0	0	0	0	0	0	1	0	0	0
	2.2. To promote utilization of renewable energy resources and energy efficiency	1	3	3	3	0	0	0	0	0	0	0	1	0	0	0

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PRIORITY AXIS	Europe 2020 Strategy (Objectives & Targets)								Europe 2020 Flagship Initiatives							
	3% of the EU's GDP to be invested in R&D/innovation	20% greenhouse gas emissions reduction compared to 1990 levels	20% of energy from renewables	20% increase in energy efficiency	75% of the 20-64 year-olds to be employed	Reducing early school leaving to less than 10%	At least 40% of 30-34-year-olds completing tertiary or equivalent education	Reducing the number of people in or at risk of poverty or exclusion by at least 20 million	Smart growth			Sustainable growth		Inclusive growth		
									Digital agenda for Europe	Innovation Union	Youth on the move	Resource efficient Europe	An industrial policy for the globalisation era	An agenda for new skills and jobs	European platform against poverty	
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage																
SPECIFIC OBJECTIVES To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	0	1	1	1	1	0	0	1	0	1	1	1	0	1	1	
4. (TP 7) Enhancing competitiveness and developing business environment in the programme area																
SPECIFIC OBJECTIVES 4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	3	0	0	1	1	0	0	1	1	1	0	1	3	1	1	
TOTAL	4	6	6	6	3	1	1	4	1	1	1	4	3	3	3	

2.2. THE INTERNAL COHERENCE OF THE PROGRAMME AND ITS RELATIONSHIP WITH OTHER RELEVANT INSTRUMENTS (art. 55 Reg. CE 1303/2013, lett. “b”)

2.2.1 INTERNAL COHERENCE OF THE PROGRAMME

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

(1) Which interdependence relations exist between the specific objectives of each Priority Axis and between the specific objectives of the different Priority Axes?

(2) Which potential synergies exist within the programme objective system that should be considered during the programming process or later on during the programme implementation process?

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

To assess the interaction between the objectives, the ex ante evaluator uses a rating scale between 0 and 3, whereas:

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

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Table 2: Interdependence relations (“influence” and “sensitivity”) between specific objectives of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro

Influence 							Sensitivity 
Specific Objectives	1.1.	2.1.	2.2.	3.1.	4.1.	TOTAL	
1.1. To improve the quality of the services in public health and social care sector across the borders		1	0	1	1	3	
2.1. To promote and improve environment and nature protection and management systems for risk prevention	0		1	1	1	3	
2.2. To promote utilization of renewable energy resources and energy efficiency	1	2		1	2	6	
3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	1	2	0		1	4	
4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	1	0	1	1		3	
TOTAL	3	5	2	4	5	Avg. 3,8	

Interdependence relations between the specific objectives from different Priority Axes are widespread and the cross-impacts are generally positive in all cases. This means that a high level of internal complementarity exists within the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro, as some significant neutrality was observed only for and in relation to SO 2.2 and, at a lesser extent, SO 1.1. Moreover, across all Priority Axes, no conflict among specific programme objectives can be found.

This interactive synergy screening process allows identifying, analysing and validating a number of key synergies that exist within the objective system of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro. These key synergies should be attentively considered during the future implementation of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro in order to ensure the most optimal delivery of results. Thus, the final version of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro should at least mention the observed project-level synergies in relation to other SOs within the relevant descriptions (i.e. under the sub-heading “Contribution to the specific objective”). It is recommended that in the terms of references for future regular calls be explicitly stated that also thematically crosscutting projects having an impact on other SOs are welcomed. Such a statement could be usefully inserted already in the CP, i.e. under the sub-heading “Guiding principles for selection of operations”.

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

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

This enables us to then group the SOs in categories as follows (Table 3):

Table 3. Classification of SOs

Specific Objectives	Influential	Sensitive	Strategic	Neutral
1.1. To improve the quality of the services in public health and social care sector across the borders				X
2.1. To promote and improve environment and nature protection and management systems for risk prevention		X		
2.2. To promote utilization of renewable energy resources and energy efficiency	X			
3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage			X	
4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area		X		

The results of this analysis reveal that the Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 carries a relevant potential for synergies, so much so as in consideration of the nature of the programme and its territorial scope.

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

2.2 RELATIONSHIP WITH OTHER RELEVANT INSTRUMENTS

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

As the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro 2014-2020 covers a new EU-Member State and a country that has been granted EU candidate status since

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2012, it is literally impossible to appraise the connection to and influence of all existing national or regional-level policy strategies and domestic support programmes on the expected programme results. The same holds true for the many regional-level Growth and Jobs programmes and for the other ETC-Programmes, which will be implemented during the 2014-2020 funding period throughout the EU. Due to this, in the present section, our appraisal mainly focuses on answering the following main evaluation question:

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

Since the publication of the Europe 2020 Strategy in 2010, a large number of European-level policy documents, strategies and programmes were issued. However, the proportionality principle should apply when considering the Interreg IPA CBC HR-BA-ME and its budget, targeted territory and population. Therefore, the following analysis concentrates on two of the EU programmes, relevant to the IPA CBC that most closely related to the delivery of the Union's smart, sustainable and inclusive growth strategy and should command a closer consistency by all EU funded interventions. These are:

1. Horizon 2020
2. COSME 2020

Hereafter are presented in synoptic form the analysis of the coherence between the Interreg IPA CBC Programme Croatia-Bosnia Herzegovina – Montenegro and each of the strategic documents just mentioned. Please note that, while the tables contain the Specific Objective, the analysis underlying refers to the actions indicated under each OS.

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COHERENCE TABLE. HORIZON 2020 Strategy

		Excellent Science				Industrial Leadership				Societal Challenges							Spreading Excellence & Widening Participation	Science with and for Society	European Institute of Innovation & Technology (EIT)	Euratom	
		European Research Council	FET	Marie Sklodowska Curie actions	European Research Infrastructures	Leadership in Enabling & Industrial Technologies (LEIT)	Access to risk finance	Innovation in SMEs	Health, Demographic Change & Wellbeing	Food Security, Sustainable Agriculture & Forestry, Marine, Maritime & Inland Water Research & Bioeconomy	Secure, Clean & Efficient Energy	Smart, Green & Integrated Transport	Climate Action, environment, Resource Efficiency & Raw Materials	Europe in a changing world – inclusive, innovative & reflective societies	Secure societies – protecting freedom & security of Europe & its citizens						
						ICTs										Nanotech. Adv. Materials, Adv. Manuf./Processing Biotech	Space				
1. (TP 1) Improving the quality of the services in public health and social care sector																					
SPECIFIC OBJECTIVES	1.1. To improve the quality of the services in public health and social care sector across the borders	1	1	0	2	1	1	0	0	0	3	2	0	0	0	1	1	0	1	0	0
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency																					
SPECIFIC OBJECTIVE	2.1. To promote and improve environment and nature protection and management systems for risk prevention	0	0	0	0	0	0	0	0	0	2	2	2	2	3	1	0	0	1	0	2

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	Excellent Science				Industrial Leadership					Societal Challenges								Spreading Excellence & Widening Participation	Science with and for Society	European Institute of Innovation & Technology (EIT)	Euratom
	European Research Council	FET	Marie Skłodowska Curie actions	European Research Infrastructures	Leadership in Enabling & Industrial Technologies (LEIT)	Access to risk finance	Innovation in SMEs	Health, Demographic Change & Wellbeing	Food Security, Sustainable Agriculture & Forestry, Marine, Maritime & Inland Water Research & Bioeconomy	Secure, Clean & Efficient Energy	Smart, Green & Integrated Transport	Climate Action, environment, Resource Efficiency & Raw Materials	Europe in a changing world – inclusive, innovative & reflective societies	Secure societies – protecting freedom & security of Europe & its citizens							
2.2. To promote utilization of renewable energy resources and energy efficiency	1	1	1	1	0	0	0	0	1	2	2	3	2	3	1	0	0	1	1	0	
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage																					
SPECIFIC OBJECTIVES 3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	0	0	0	0	2	0	0	1	1	1	0	0	1	0	1	0	1	1	0	0	

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	Excellent Science				Industrial Leadership					Societal Challenges							Spreading Excellence & Widening Participation	Science with and for Society	European Institute of Innovation & Technology (EIT)	Euratom
	European Research Council	FET	Marie Skłodowska Curie actions	European Research Infrastructures	Leadership in Enabling & Industrial Technologies (LEIT)	Access to risk finance	Innovation in SMEs	Health, Demographic Change & Wellbeing	Food Security, Sustainable Agriculture & Forestry, Marine, Maritime & Inland Water Research & Bioeconomy	Secure, Clean & Efficient Energy	Smart, Green & Integrated Transport	Climate Action, environment, Resource Efficiency & Raw Materials	Europe in a changing world – inclusive, innovative & reflective societies	Secure societies – protecting freedom & security of Europe & its citizens						
4. (TP 7) Enhancing competitiveness and developing business environment in the programme area																				
SPECIFIC OBJECTIVES 4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	0	0	0	1	3	3	1	1	3	0	0	0	0	0	1	0	1	2	2	0
TOTAL	1	1	1	2	6	4	1	2	5	8	4	5	5	3	5	1	2	6	3	2

EX ANTE EVALUATION REPORT

COHERENCE TABLE. COSME 2020 STRATEGY

		Access to Finance	Access to Markets	Framework Conditions for Enterprises	Entrepreneurship and Entrepreneurial Culture
1. (TP 1) Improving the quality of the services in public health and social care sector					
SPECIFIC OBJECTIVES	1.1. To improve the quality of the services in public health and social care sector across the borders	0	0	0	0
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency					
SPECIFIC OBJECTIVE	2.1. To promote and improve environment and nature protection and management systems for risk prevention	0	0	0	1
	2.2. To promote utilization of renewable energy resources and energy efficiency	0	0	0	1
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage					
SPECIFIC OBJECTIVES	3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	1	1	2	1
4. (TP 7) Enhancing competitiveness and developing business environment in the programme area					

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		Access to Finance	Access to Markets	Framework Conditions for Enterprises	Entrepreneurship and Entrepreneurial Culture
SPECIFIC OBJECTIVES	4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	3	3	3	3
TOTAL		4	4	5	6

2.3. THE CONSISTENCY OF THE SELECTED THEMATIC OBJECTIVES, THE PRIORITIES AND CORRESPONDING OBJECTIVES OF THE PROGRAMME WITH THE CSF, THE PARTNERSHIP AGREEMENT AND THE RELEVANT COUNTRY SPECIFIC RECOMMENDATIONS ADOPTED IN ACCORDANCE WITH ARTICLE 121(2) TFEU AND WHERE APPROPRIATE AT NATIONAL LEVEL, THE NATIONAL REFORM PROGRAMME (art. 55 Reg. CE 1303/2013, lett. “d”)

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

- (1) Does the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro adequately reflect the specific role that the EU-level expects the programme to play in the wider context of ETC?

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

1. Partnership Agreement Republic of Croatia 2014-2020
2. IPA II Country Strategy Paper for Bosnia and Herzegovina (Draft, March 2014)
3. IPA II Country Strategy Paper for Montenegro
4. South East Europe 2020 strategy
5. Danube Region Strategy
6. EU Strategy for the Adriatic-Ionian Region

Hereafter are presented in synoptic form the analysis of the coherence between the Interreg IPA CBC Programme Croatia-Bosnia Herzegovina – Montenegro and each of the strategic documents just mentioned. While the tables contain the Specific Objective, the analysis underlying refers to the actions indicated under each OS.

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COHERENCE TABLE. IPA II COUNTRY STRATEGY PAPER for MONTENEGRO (2014-2020).

		Democracy and governance	Rule of law and fundamental rights	Environment and climate action	Transport	Competitiveness and innovation	Education, employment and social policies	Agriculture and rural development	Regional cooperation and territorial cooperation
1. (TP 1) Improving the quality of the services in public health and social care sector									
SPECIFIC OBJECTIVES	1.1. To improve the quality of the services in public health and social care sector across the borders	1	2	1	0	0	2	1	1
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency									
SPECIFIC OBJECTIVE	2.1. To promote and improve environment and nature protection and management systems for risk prevention	0	0	3	0	0	1	2	1
	2.2. To promote utilization of renewable energy resources and energy efficiency	0	0	2	2	1	0	2	2

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		Democracy and governance	Rule of law and fundamental rights	Environment and climate action	Transport	Competitiveness and innovation	Education, employment and social policies	Agriculture and rural development	Regional cooperation and territorial cooperation
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage									
SPECIFIC OBJECTIVES	3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	0	0	0	2	2	2	1	2
4. (TP 7) Enhancing competitiveness and developing business environment in the programme area									
SPECIFIC OBJECTIVES	4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	1	0	0	3	3	2	0	3
5. Total		2	2	6	7	5	7	6	9

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COHERENCE TABLE. IPA II COUNTRY STRATEGIC PAPER for BOSNIA AND HERZEGOVINA 2014-2020 (Draft March 2014).

		Democracy and governance	Rule of law and fundamental rights	Competitiveness and innovation: local development strategies	Education, employment and social policies
1. (TP 1) Improving the quality of the services in public health and social care sector					
SPECIFIC OBJECTIVES	1.1. To improve the quality of the services in public health and social care sector across the borders	1	2	0	2
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency					
SPECIFIC OBJECTIVE	2.1. To promote and improve environment and nature protection and management systems for risk prevention	0	0	0	1
	2.2. To promote utilization of renewable energy resources and energy efficiency	0	0	1	1
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage					
SPECIFIC OBJECTIVES	3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	0	0	2	2
4. (TP 7) Enhancing competitiveness and developing business environment in the programme area					
SPECIFIC OBJECTIVES	4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	1	0	3	2
TOTAL		2	2	6	8

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COHERENCE TABLE. SEE 2020 Strategy

Overall targets		i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average ii. Grow the region's total value of trade in goods and services by more than 130% iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP													
Pillars		Integrated growth			Smart growth				Sustainable growth		Inclusive growth			Governance for growth	
Pillar targets		iv. Increase intra-regional trade in goods by more than 230% v. Increase overall FDI inflows to the region by at least 120%			vi. Increase GDP per person employed by 33%; vii. Add 300,000 highly qualified people to the region's workforce				viii. Increase the rate of enterprise creation by 20% ix. Increase exports of goods&services per capita from the region by 130%		x. Increase the overall employment from 40.2% to 45.2%			xi. Increase government effectiveness by 20% by 2020	
Pillar Dimensions		Free Trade Area	Competitive Economic Environment	Integration into Global Economy	Education/ Competences	R&D and Innovation	Digital Society	Culture & Creative Sectors	Competitive-ness	Resource Efficiency	Employment	Skills and Inclusive Education	Health	Effective public services	Anti-Corruption
1. (TP 1) Improving the quality of the services in public health and social care sector															
SPECIFIC OBJECTIVES	1.1. To improve the quality of the services in public health and social care sector across the borders	0	0	0	1	0	0	1	0	0	1	1	3	2	0
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency															
SPECIFIC OBJECTIVE	2.1. To promote and improve environment and nature protection and management systems for risk prevention	0	0	0	1	1	0	1	0	2	0	0	2	0	0

Ex-ante evaluation for
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Overall targets		i. Increase regional GDP PPP per capita from 38% to 46% of the EU-27 average ii. Grow the region's total value of trade in goods and services by more than 130% iii. Reduce the region's trade deficit from 14.1 to 11.6 per cent of regional GDP													
Pillars		Integrated growth			Smart growth				Sustainable growth		Inclusive growth			Governance for growth	
Pillar targets		iv. Increase intra-regional trade in goods by more than 230% v. Increase overall FDI inflows to the region by at least 120%			vi. Increase GDP per person employed by 33%; vii. Add 300,000 highly qualified people to the region's workforce				viii. Increase the rate of enterprise creation by 20% ix. Increase exports of goods&services per capita from the region by 130%		x. Increase the overall employment from 40.2% to 45.2%			xi. Increase government effectiveness by 20% by 2020	
Pillar Dimensions		Free Trade Area	Competitive Economic Environment	Integration into Global Economy	Education/ Competences	R&D and Innovation	Digital Society	Culture & Creative Sectors	Competitive-ness	Resource Efficiency	Employment	Skills and Inclusive Education	Health	Effective public services	Anti-Corruption
	2.2. To promote utilization of renewable energy resources and energy efficiency	0	0	0	0	1	0	0	0	1	0	0	2	0	0
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage															
SPECIFIC OBJECTIVES	3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	0	1	1	1	0	1	3	2	1	2	1	0	1	0

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

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COHERENCE TABLE. EU STRATEGY FOR THE DANUBE REGION (EUSDR)

		Connect the Region				Strengthening the Region		Building Prosperity			Protecting the Environment		
		Sustainable energy	Culture and tourism, People to People	Mobility		Security	Institutional capacity and cooperation	Competitiveness	People and skills	Knowledge society	Water quality	Biodiversity, landscapes, air and soil quality	Environmental risks
				Waterways	Rail-Road-Air								
1. (TP 1) Improving the quality of the services in public health and social care sector													
SPECIFIC OBJECTIVES	1.1. To improve the quality of the services in public health and social care sector across the borders	0	0	0	0	1	0	1	1	0	0	0	0
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency													
SPECIFIC OBJECTIVE	2.1. To promote and improve environment and nature protection and management systems for risk prevention	2	1	1	0	2	2	0	0	1	3	3	3
	2.2. To promote utilization of renewable energy resources and energy efficiency	3	0	0	0	1	0	0	0	1	2	2	2

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	Connect the Region				Strengthening the Region		Building Prosperity			Protecting the Environment		
	Sustainable energy	Culture and tourism, People to People	Mobility		Security	Institutional capacity and cooperation	Competitiveness	People and skills	Knowledge society	Water quality	Biodiversity, landscapes, air and soil quality	Environmental risks
			Waterways	Rail-Road-Air								
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage												
SPECIFIC OBJECTIVES 3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	0	3	2	2	1	2	2	1	2	0	1	0
4. (TP 7) Enhancing competitiveness and developing business environment in the programme area												
SPECIFIC OBJECTIVES 4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	0	0	1	1	0	2	3	2	1	0	0	0
Total	5	4	4	3	4	7	5	4	6	5	6	5

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COHERENCE TABLE. EU STRATEGY FOR THE ADRIATIC AND IONIAN REGION (EUSAIR)

	BLUE GROWTH			CONNECTING THE REGION			ENVIRONMENTAL QUALITY			SUSTAINABLE TOURISM	
	Blue technologies	Fisheries and aquaculture	Maritime and marine governance and services	Maritime transport	Intermodal connections to the hinterland	Energy networks	The marine environment		Transnational terrestrial habitats and biodiversity	Diversified tourism offer (products and services)	Sustainable and responsible tourism management (innovation and quality)
							Threats to coastal and marine biodiversity	Pollution of the sea			
1. (TP 1) Improving the quality of the services in public health and social care sector											
SPECIFIC OBJECTIVES 1.1. To improve the quality of the services in public health and social care sector across the borders	0	1	0	0	0	0	0	1	0	0	0
2. (TP 2) Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency											
SPECIFIC OBJECTIVE 2.1. To promote and improve environment and nature protection and management systems for risk prevention	3	2	2	0	0	1	3	3	3	1	2
2.2. To promote utilization of renewable energy resources and energy efficiency	2	1	0	1	0	3	2	2	2	0	1

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	BLUE GROWTH			CONNECTING THE REGION			ENVIRONMENTAL QUALITY			SUSTAINABLE TOURISM	
	Blue technologies	Fisheries and aquaculture	Maritime and marine governance and services	Maritime transport	Intermodal connections to the hinterland	Energy networks	The marine environment		Transnational terrestrial habitats and biodiversity	Diversified tourism offer (products and services)	Sustainable and responsible tourism management (innovation and quality)
							Threats to coastal and marine biodiversity	Pollution of the sea			
3. (TP 4) Contributing to the development of tourism and preserving cultural and natural heritage											
SPECIFIC OBJECTIVES 3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	0	0	0	2	2	0	0	0	0	3	3
4. (TP 7) Enhancing competitiveness and developing business environment in the programme area											
SPECIFIC OBJECTIVES 4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	0	0	0	3	3	3	0	0	0	0	0
TOTAL	5	4	2	5	5	7	5	6	5	4	6

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The tables above indicates that there is an adequate level of coherence between the Interreg IPA CBC Programme and the strategies analysed. Noticeably, no inconsistencies were highlighted, while a sufficient degree of complementarity/integration can be identified ex ante. Of course, the way the actions will be implemented, i.e.: which type of projects will prevail in the wide-ranging opportunities proposed, will be crucial and could induce some alterations in the described equilibria.

We turn now to consider the way the relations of Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro to other ETC-Programmes (cross-border, transnational, interregional) are described under Section 6 of the programme document. Overall, the description should set out clear and appropriate provisions showing how complementarity, mutual cooperation and coordination will be achieved in relation to the other ETC- Programmes. The description of how such process could be shaped is sufficiently provided in the CBC IPA Programme HA-BA-ME, it has to be underlined, however, that mechanisms that are more specific are not probable to be provided in the current, very “liquid” framework, where most of the programmes related to the relevant strategies are still being defined.

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

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2.4. THE CONSISTENCY OF THE ALLOCATION OF BUDGETARY RESOURCES WITH THE OBJECTIVES OF THE PROGRAMME (art. 55 Reg. CE 1303/2013, lett. “c”)

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

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

Expenditure should be focused on those objectives, which show the highest capacity not only for exerting influence on all of the other objectives, but for generating synergies and knock-on effects as well.

Based on the overview below of the budgetary weight attached to the typology of specific objectives examined in the internal coherence assessment, the distribution of expenditures of the CP's financial resources among the four PAs (excl. TA) appears very focused. This is because 33,3% of the total funds (net of TA) are concentrated on the single “Strategic” specific objective. Adding to those the “Influential” and “Sensitive” objectives, therefore, considering all “synergic” SOs, the total share becomes 83.33%. Therefore, only the remaining 16,67% is allocated to “Neutral” SO.

It is the evaluator appraisal that the Interreg IPA CBC Programme HR-BA-ME 2020 allocates the available resources in a way to promote the desired changes in the programme areas.

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Table 6.1: Assessment of Coherence of the Financial Allocation

P. A. /S.O.	Union Support	% P.A./ TOTAL	% S.O. / P.A.	% S.O. / TOTAL	Categories of Specific Objectives			
					Influential	Sensitive	Strategic	Neutral
PA 1 - Improving the quality of the services in public health and social care sector								
1.1. To improve the quality of the services in public health and social care sector across the borders	8.573.297		100%	15%				8.573.297
	8.573.297	15%						
PA 2 - Environment, risk prevention and energy production								
2.1. To promote and improve environment and nature protection and management systems for risk prevention	7.144.415		50%	12,50%		7.144.415		
2.2. To promote and enhance utilization of renewable energy resources and to strengthen energy efficiency	7.144.415		50%	12,50%	7.144.415			
TOTAL PA2	14.288.830	25%						
PA 3 - Tourism and cultural and natural heritage								
3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	17.146.595		100%	30,00%			17.146.595	
TOTAL PA3	17.146.595	30%						
PA 4 - Competitiveness and SME development								
4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	11,431.063	100%	100%	20,00%		11,431.063		
TOTAL PA4	11.431.063	20%						
TOTAL without Technical Assistance	51.439.785	90%			7.144.415	18.575.478	17.146.595	8.573.297
Share of Categories of Specific Objectives on Total without TA					13,9%	36,11%	33,3%	16,67%
PA 5 - Technical Assistance								
	5.715.531	10%	100%	10%				
TOTAL	57.155.316							
Share of Categories of Specific Objectives on Total					12,5%	32,5%	30%	15%

EX ANTE EVALUATION REPORT

2.5. HOW THE EXPECTED OUTPUTS WILL CONTRIBUTE TO RESULTS (art. 55 Reg. CE 1303/2013, lett. “f”)

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

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

According to the guidance documents from the EU the intervention logic outlined in the operational programmes for each priority axis should be driven by the specific objectives established based on the analysis of development needs and by the expected results.

For intervention logic to be effective, it needs to create logical links between all of the following elements:

1) The analysis of development needs and the strategy set out in the operational programmes, including:

- development needs or challenges identified (including both sectoral and territorial development needs);
- the strategic approach to maximise impact and effectiveness - identification of the funding priorities;
- The selection of thematic objectives and investment priorities to be supported.

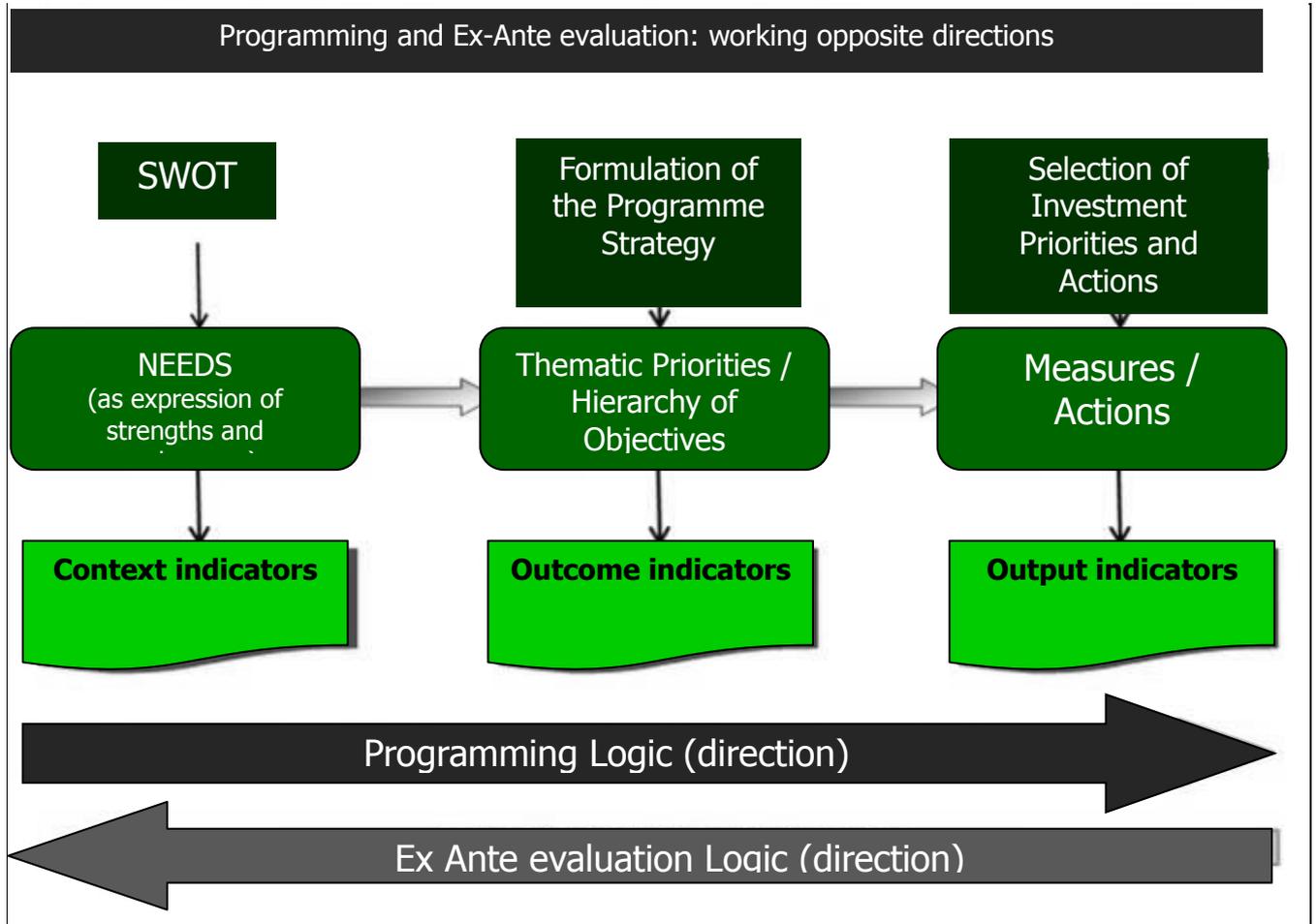
2) The set-up and description of the priority axis, including:

- the definition of specific objectives appropriate in the context of the Member State or region;
- specifying the (direction of) change sought i.e. the results;
- deciding how to measure these results – identification of result indicators and setting of targets for these indicators;
- the specification of types of actions to be undertaken to achieve these results;
- deciding how to measure the outputs of actions– identification of output indicators and targets for these indicators.

As a matter of fact, the ex-ante evaluator when assessing the consistency of the programme logic of intervention moves in opposite direction compared to the programmer (see **Figure 2.5.1**).

EX ANTE EVALUATION REPORT

Figure 2.5.1. Programming and Ex ante evaluation: working opposite directions



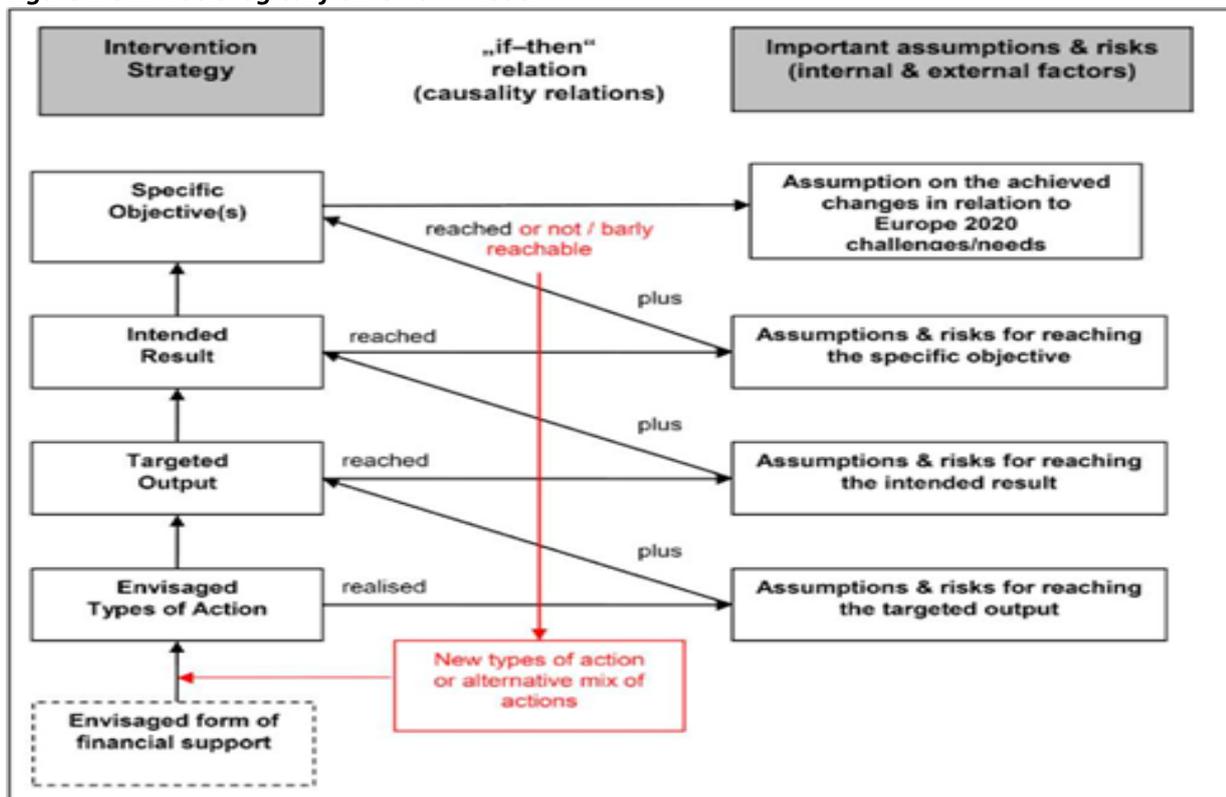
To proceed with the analysis the evaluator has worked closely with the Programming Team to reconstruct the intervention logic, using as reference the scheme suggested in the document “Guidance Fiche on Intervention Logic”¹. The result of such endeavour is Annex 8 of the Interreg IPA CBC Programme Croatia – Bosnia and Herzegovina - Montenegro 2014-2020, therefore, they are not proposed again in the present document.

For appraising the intervention logic of the Thematic Priorities (TPs) selected for the Interreg IPA Crossborder Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro , the following a basic model for the logical framework analysis is applied (see: **Figure 2.5.2**).

¹ „Guidance Fiche Intervention Logic“ Version 1 – 06/05/2013

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Figure 2.5.2. Basic logical framework model



On ground of this, a complete table-based logical framework was drawn up for each TP of the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro.

Intervention Logic of TP 1. Improving the quality of the services in public health and social care sector.

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	1.1. To improve the quality of the services in public health and social care sector across the borders	The proposed specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy.
Intended Result	Improved services in the area of public health and social welfare sector. Means of verification (result indicator): The level of accessibility and availability of the services within public health care sector	The CP can rely on already existing funding experience 2007-2013. The result indicator is a supply-side indicator covering the entire programme area and is close to the policy, in order to showcase the link with the interventions and their contribution towards this result. The basic assumptions underlying the future implementation process, either implicitly presumed by the programme stakeholders or explicitly stated in the programme document, are in general valid at each level of the TP-intervention strategy, particularly for the supply-side result indicator.

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Targeted Output	<p>Making more accessible & effective public health & service facilities.</p> <p>Means of verification (output indicators):</p> <ol style="list-style-type: none"> 1. Number of jointly developed and/or implemented tools /services/pilot projects that enable better quality of health and/or social care services 2. Number of participants in joint education and training schemes on health and/or social care 3. Population covered with improved health and/or social care services (CI) 	<p>The targeted output focuses on the essential challenges/needs/potentials identified by the Programme</p> <p>The vertical elements of the intervention strategy are logically interlinked. This means that the proposed “types of action” will lead to the expected outputs and that these outputs will contribute to the intended result, which in turn allows achieving the specific programme objective.</p>
Envisaged “Types of Action”	<ul style="list-style-type: none"> - Providing support to public health and social care institutions in improving accessibility and effectiveness (e.g. small infrastructure and equipment), including related pilot projects. - Developing and implementing joint lifelong learning, education and training programmes addressing skills and capacity strengthening needs in the area of health and social care. - Developing and implementing joint activities on enhancing the quality of health care and social care services (e.g. joint health services delivery, promoting healthy lifestyles and active and healthy aging, disease prevention implementation plan, etc.) - Implementing ICT solutions in order to improve public health and social care services. - Developing schemes and using ICT tools for establishing networking structures for the purpose of common disaster response across the borders. - Joint strengthening of health care and social care for vulnerable groups with focus on children, elderly, disabled, people receiving social care and long-term unemployed older women. - Awareness rising activities aiming at promotion of different types of services available for vulnerable groups. - Networking of organisations (e.g. health care and social care institutions, family centres, education institutions, etc.) in order to create joint activities for enhancing accessibility to health and social services. - Implementing exchange of experience concerning the identification, transfer and dissemination of good practices and innovative approaches as well support to the sustainability and implementation of the Cross-border Healthcare Directive (2011/24) and European Reference Networks, especially in relation to the aims of territorial cohesion, including territorial aspects and harmonious development of Union territory. 	<p>The range of proposed actions in the version of the CP under analysis has been revised and aligned in a way to provide more clarity on the intended outputs expected. Nevertheless, a further effort to reduce the number of options and to improve focus would have been appreciated.</p> <p>However, the envisaged “types of action” are delivered by the adequate beneficiaries for the right target groups. Therefore, if operations are selected through adequate criteria, their implementation will allow therefore achieving the targeted output. The current description of selection criteria, appears sufficient to grant the expected results.</p>

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

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	2.1. To promote and improve environment and nature protection and management systems for risk prevention	<p>The proposed specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy.</p> <p>The specific objective title has been revised in order to improve its clarity and focus. However, it still remains too “open”, i.e.: does not endeavor sufficiently to define the intended achievement.</p>
Intended Result	<p>Improved protection of environment and nature and management systems for risk prevention</p> <p>Means of verification (result indicator): Disaster response capability in the programme area</p>	<p>The nature of this TP is that it is based on project applications and therefore, activities are not 'planned' in the same way as for other Priority Axis.</p> <p>Identifying and suitable result indicator that could be adequately and reliably measured in all programme area has proved a difficult effort. The indicator chosen, however, appears to satisfy the requirements. It is a supply-side indicator covering the entire programme area and is close to the policy.</p> <p>The unit of measure of the indicator is “percentage” relative to a standard definition of “readiness” to disaster response traceable to national legislations.</p>
Targeted Output	<p>Better management of environmental and biodiversity protection and upgraded joint cross-border management system for risk prevention</p> <p>Means of verification (output indicators):</p> <ol style="list-style-type: none"> 1. Surface area of habitats supported in order to attain a better conservation status (ha) (CI) 2. Area covered by improved emergency preparedness and risk prevention systems (km²) 3. Population benefiting from flood protection measures (CI) 	<p>The defined types of actions are assessed to generally lead towards the desired “type of change” and to a more favourable situation. It is not possible to assess whether the planned changes will be achieved as it is unclear precisely what the extent of the planned changes are.</p> <p>Unit of measure would better be uniformed to “ha” rather than km²</p>

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<p>Envisaged “Types of Action”</p>	<ul style="list-style-type: none"> - Developing and implementing joint management initiatives in the area of environment and nature protection (e.g. monitoring and exchange of data, biodiversity and geo-diversity maps, management plans for nature protected areas of cross-border interest, marine protected areas, maritime spatial planning and integrated coastal management for cross-border areas, etc.) - Implementing joint actions in the area of monitoring and managing environmental protection addressing locally specific cross-border priorities and/or contributing to implementation of higher-level regional initiatives such as Sava River Basin Management Plan and the EU Strategy for the Adriatic and Ionian Region. - Implementing joint initiatives for designation and preservation of cross-border habitats (including large carnivore habitats) and ecosystems with high biodiversity value, including protection and restoration of coastal wetland areas and karst fields relevant for the Adriatic Flyway - Implementing awareness raising activities, information campaigns and education and training concerning environmental and nature protection. - Improving emergency preparedness and risk prevention systems that addresses existing as well as expected cross-border hazards (fires, floods, draughts, hazardous pollution events, including trans boundary air and water pollution and other natural disasters) through, for example: mapping of water pollution hazards in the flood zones, adopting comprehensive multi-hazard framework to risk management and communication, harmonizing information about risks using internationally accepted definitions and guidelines, addressing priority gaps and needs for exchanging available data, developing and/or implementing plans that specify standard operating procedures on local level (who, what, when, how and with whom) based on higher level initiatives for disaster management. - Implementing cross-border measures and tools for reducing or mitigating environmental problems and risks, including small-scale infrastructure and equipment. - Implementing joint interventions in case of accidents and natural disasters and establishment of strong cooperation between the emergency centres, including small-scale infrastructure and equipment. 	<p>The envisaged “types of action” are delivered by the adequate beneficiaries for the right target groups and allow therefore achieving the targeted output.</p>
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Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	2.2. To promote utilization of renewable energy resources and energy efficiency	The proposed specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy. The formulation of the objective, however, concentrates on the “levels of use” and does not point to the real aim, i.e.: the expected benefit arising from the use of sustainable energy, leaving implicit the real change expected.
Intended Result	Increased capacities and improved infrastructure for utilisation of renewable energy resources and application of energy efficiency Means of verification (result indicator): Energy consumption by public buildings in the programme area (kWh)	Already existing funding experience 2007-2013 The operations induce demand-side effects (short-, medium- or long-term, direct or indirect) which contribute to the intended overall result and to an achievement of the specific objective. The result indicator is covering the entire programme area and is closely-linked to the policy.
Targeted Output	Promoting innovative technologies for sustainable energy production thus improving energy efficiency Means of verification (output indicators): 1. Additional capacity of renewable energy production (MW)	The objective shall result in an increase in annual energy consumption produced through renewable energy. Also, it should generate awareness on sustainable use of energy and options for efficient use through to an increase of the capacity of actors involved in energy planning and supply by actions aimed at strengthening and developing capacity. The examples of actions given in the programme document clearly contribute to capacity development.
Envisaged “Types of Action”	<ul style="list-style-type: none"> - Elaboration of joint studies and documentation on (the utilization of) renewable energy resources and energy efficiency. - Developing and implementing joint pilot and demonstration projects on innovative technologies and solutions in the field of energy efficiency and renewable energy resources. - Joint investing in public infrastructure on sustainable energy production and energy efficiency. - Joint incentives in order to improve planning and regulatory framework in the area of renewable energy resources and energy efficiency (e.g. analyses, comparisons, recommendation, local/regional action plans etc.). 	The envisaged “types of action” are delivered by the adequate beneficiaries for the right target groups and allow therefore achieving the targeted output. The envisaged “types of action” are selected through adequate criteria, therefore, allow achieving the targeted output.

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Intervention Logic of TP 4. Tourism, cultural and natural heritage.

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	The achieved specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of action of the Europe 2020 Strategy.
Intended Result	Strengthened and diversified tourism offer in the programme area Means of verification (result indicator): Increase in arrivals of non-residents staying in hotels and similar establishments	Already existing funding experience 2007-2013 The link between result indicator and actions is reasonable, meaning that if the programme funds actions in the fields outlined above under the objective, it is plausible that this will lead to desired tourism demand increase. The result indicator is covering the entire programme area and is closely-linked to the policy.
Targeted Output	Further strengthening, diversification and integration of tourism potential in the programme area as well as preservation and better management of cultural and natural heritage assets Means of verification (output indicators): 1. Number of joint tourism offers/products developed or implemented and promoted 2. Number of tourism providers with (international) certifications and standards 3. Number of tourism supporting facilities and/or tourism infrastructure developed and/or improved 4. Number of sustainable management plans for cultural and natural heritage sites developed and/or implemented 5. Number of cultural and natural assets developed and/or improved	The outputs envisaged refer mostly to marketing aspects and creation of new “products”. It is very appropriate that emphasis on the “joint”, cross-border nature of the activities

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Envisaged 'Types of Action'	<ul style="list-style-type: none"> - Developing, promoting and branding of joint tourism niches, services and products including the development and diversification of joint tourism activities and sustainable tourism offer, inter alia, by including other relevant sectors (e.g. agriculture, organic food supply, handicrafts and other local products, culture, sustainable transport, etc.) in order to develop projects in ecotourism, hunting, rural, mountain, excursion, cultural, adventure, religious, nautical, conference, health, wellness and spa tourism. - Developing complementary services in tourist offer. - Promoting and introducing (international) certifications and standards, in order to improve the quality of tourism providers and their services. - Supporting development and improvement of destination management capacity building in tourism sector (e.g. by developing destination management skills and focusing on enhancing quality (e.g. standardisation) and integration of offers, tourist destination development, management, marketing and promotion). - Implementing cross-border networking of institutions and dissemination of good practices and innovative approaches in tourism sector, including support to establishment and development of clusters. - Developing the cross-border tourism offer including the development of innovative products and services and using ICT and other technologies (e.g. GPS routes, booking systems). - Developing and improving small-scale cross-border tourism infrastructure such as: walking paths, cycling routes, hiking, riding trails, signposting, visitor centres, etc. - Implementing joint incentives of integrating culture, nature and leisure activities into sustainable tourism offer in the programme are taking care of preservation of nature and cultural protected areas (e.g. marine and coastal environment, historical and cultural sites, etc). - Valuating, preserving, restoring and reviving (e.g. animation of site) cultural, historical and natural heritage assets (e.g. UNESCO and other historical and cultural sites and landscapes), including enabling or improving access to them, but at the same time preserving marine and coastal environment. - Enabling joint cultural cooperation initiatives including creation of joint cultural events such as cultural festivals, cultural exchanges, joint theatre performances or joint/traveling exhibitions. - Developing and implementing training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) on cultural and natural heritage. - Implementing investments in certification including training, equipment supply but also small scale infrastructure on cultural and natural heritage. - Developing and promoting public cultural and heritage services. 	<p>The range and type of proposed actions have been revised in the current version of the CP, achieving a improved focus toward the SO expected result. However, they remain very "open" to accept proposals stemming from the programme area rather than "guiding" project generation. The envisaged "types of action" are delivered by the adequate beneficiaries for the right target groups and allow therefore achieving the targeted output.</p> <p>The envisaged "types of action" are selected through adequate criteria , therefore, allow achieving the targeted output. Special care will be needed in order to ensure that tender dossiers will articulate properly the criteria indicated in the programme.</p>
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Intervention Logic of TP 7. Competitiveness and business environment development.

Elements of the intervention strategy & means of verification		Basic assumptions & assessment of potential risks
SO	4. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	The achieved specific objective generates a positive change in relation to the wider interregional challenges and needs as identified by the Programme for this field of act. It should be emphasised again though, that actual uptake of innovations by the market can only be achieved by companies/ commercial actors, i.e. the programme assumes that sufficient funding will be available towards projects with strong private sector involvement/relevance
Intended Result	Increased competitiveness and development of the business environment in the programme area Means of verification (result indicator): Range of cluster activities enhancing innovation, new technologies and ICT solutions	The basis of the logic of intervention here is that by fostering the sharing of physical and intangible assets (infrastructure, knowledge/experience) as well as by promoting the enhancement of networks, good ideas and collaboration platforms the innovation performance of the programme area will increase. This is expected, in particular, for sub-regions lagging behind structurally and technologically. The result indicator is “demand side” covering the whole programme area and reasonably linked to the policy. It has to be stressed that lack of data at sub national/local level in the CP area, limits the options to measure policy results in this field.
Targeted Output	Enhancing competitiveness and development of business environment and investment in the programme area Means of verification (output indicators): <ol style="list-style-type: none"> 1. Number of cross-border business clusters and/or networks developed and/or implemented 2. Number of business support institutions supported 3. Number of laboratories and/or competence centres jointly used by the entrepreneurs developed or improved 4. Number of enterprises and business support institutions cooperating with research institutions (CI) 	This SO aims to advance the programme area’s performance in non-technological innovation based on increased capacity of innovation actors. It is expected that this will result in an increased capacity of innovation actors (innovation intermediaries, authorities, research organisations and enterprises) to improve conditions for non-technological innovation. This shall in turn lead to an increased ability to generate non-technological innovation and provide possibilities for development of regions lagging technologically behind. A key assumption of the SO is that there is an under-utilised potential, in general, in non-technological innovation and that better capabilities of managing such aspects also provides an opportunity for regions lagging behind technologically to reap market opportunities. As already stated, this is a fair assumption, well in line with the overall programme strategy and the priority as such. The number of output indicators reflects the large variety of actions envisaged under SO 4.1.

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Envisaged 'Types of Action'	<ul style="list-style-type: none"> - Supporting business support institutions and establishment of and support to existing and new business related sectorial networks and organisations in order to enhance standardisation, product protection, marketing and development of cross-border markets. - Developing and supporting existing business clusters and/or networks of SMEs in applying ICT, innovation and new technologies in order to develop and promote common products for local cross-border and international markets. - Implementing actions aiming at networking, dissemination of good practices and innovative approaches and cooperation between business support institutions, clusters and SMEs at national, regional and local level in the programme area. - Supporting business support institutions in improving the capacity of entrepreneurs including micro entrepreneurs such as family farms/households regarding marketing, branding, market research, e-business, competitiveness and education and training in entrepreneurship skills. - Increasing cooperation between research institutions, clusters, businesses, public sector & development organisations to stimulate innovation and entrepreneurship to improve business innovativeness and technology based on smart specialization approach. - Supporting actions related to development of innovative products and services (e.g. patents, industrial design, trademark and innovation etc.). - Promoting and introducing (international) certifications and standards of existing and new products and services. - Implementing joint research and development activities involving the research and educational centres in the programme area in order to increase competitiveness. - Implementing cross-border development, adaptation and exchange of best practices in application of ICT, new technologies, processes, products or services to be directly used by the enterprises between the clusters or groups of business, R&D and education institutions. - Establishing and supporting development agencies, technological and competence centres, laboratories and local ICT infrastructure for common use by the enterprises in the programme area in order to upgrade the existing and develop new products, services, processes or prototypes. 	<p>The actions foreseen in SO 4.1 have been revised and improved in their focus, however, they remain very varied and could be categorized in three main type:</p> <ul style="list-style-type: none"> • Forming alliances between different research and innovation milieus with leading competences (including actors from private, public and academic sectors in cooperation with non-profit organisations), • Establishing platforms enabling transfer of knowledge and building inter-regional synergies for the development of regional smart specialisation strategies. • Setting up and piloting measures for regions allowing for exchange of experience on implementation of smart specialisation strategies. <p>However, they all seem to delegate to, and rely heavily on, the activities of the business support institution. To guarantee the results, therefore, a front end strong activity of capacity building toward such institutions is crucial to success.</p> <p>The list of possible actions is very long and a wide set of possible projects are mentioned. In general the mentioned actions provide sufficient information to be understandable. As stated, the actions seem reasonable in order to progress towards the defined objectives and expected results. It is recognised that business model innovation has been included as a possible component of actions.</p> <p>It is suggested that ongoing evaluation be entrusted with assessing if the projects actually financed guarantee the balanced achievement of the overall objective of the priority.</p>
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3. PROGRAMME INDICATOR SYSTEM (art. 55 Reg. CE 1303/2013, lett. “e” and “g”)

3.1. Introduction

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

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

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

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

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

Overall, the CP’s output indicators are relevant and allow to link outputs with the results and thus the change measured by the result indicators. The output indicators are not meant to cover all possible outputs of a programme, and the proposed output indicators are defined in a way that they do not cover all activities supported. Overall, the proposed result indicators have a rather broad definition, as they do not focus exclusively on (1) “measures inspired” or (2) “amounts of Structural Funds influenced” by the Interreg IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina - Montenegro. This suggests that the Programme result indicators do cover other factors that can influence the wider results. If this holds true, then the proposed indicators indeed (as suggested in the regulations) do monitor the development the programme area faces. Given the broader result indicator focus, it hardly allows capturing

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a substantial share of the envisaged Programme results, as the also expected improvement of other regional policies and national programmes is already “excluded” from the current indicator focus.

This section presents the assessment of the system of monitoring and evaluation indicators.

The chapter consists of:

- par. 5.2 presents the assessment of the Compliance of the system of indicators to EU regulations (Reg. CE n. 1303 e n. 1299 / 2013);
- par. 5.3 deals with the overall analysis of the indicator system and the analysis of the “smartness” of each proposed indicator. This provide answers to the specific questions concerning:
 - **the relevance and clarity of the proposed programme indicators (art. 55 Reg. CE 1303/2013, lett. “e”);**
 - **whether the quantified target values for indicators are realistic, having regard to the support envisaged from the ESI Funds (art. 55 Reg. CE 1303/2013, lett. “g”)**

3.2. Compliance of the system of indicators to EU regulations

Cohesion policy for the period 2014-2020 are result-oriented, therefore the measurement of programme progress and achievements plays a crucial role and the establishment of an adequate measurement system has become ever more essential. Indicators are the core of the measurement system and represent tools used to assess how far the expected objectives have been achieved by measures or by the programme as a whole. They are linked together by the causal chains of the intervention logic of the CP. Indicators consist of several components, including a definition, a value and a unit of measurement. Some indicators provide information on the programme's progress and achievements directly; others require interpretation using appropriate evaluation methods, in order to identify the contribution of the policy intervention.

The following types of programme related indicators are used within the Interreg IPA CBC Programme Bosnia and Herzegovina - Montenegro monitoring and evaluation system:

- Output indicators which are directly linked to the measures and operations.
- Results indicators, which capture the direct effects of interventions and are linked to focus areas.

These indicators include common indicators as laid down by Fund- specific rules. In CPs IPA and ERDF supported OPs, there is a **set of common output indicators** for use in all CPs, as specified in the respective Fund's legislative act (Regulations 1299/2013). Additional programme-specific indicators have to be defined in order to address the specificities of the individual CP (identified needs, sectors, etc.). All proposed programme indicators are to be assessed by the ex-ante evaluator.

The main regulatory references concerning indicators to be adopted for surveillance, monitoring and evaluation of the EHR OP 2014-2020 includes the following:

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

For every reference, the evaluator's analysis is reported here. Instead in the tables 4.2-1 and 4.2-2 in the end of the paragraph it is described, in synthetic and table form, the result of the evaluation made.

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

- a) *financial indicators relating to expenditure allocated;*

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

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

With reference to the first part of the article, “Each priority shall set out indicators and corresponding targets expressed in qualitative or quantitative terms” has to be remarked that the version 5 of the Interreg IPA CBC Programme Croatia – Bosnia and Herzegovina - Montenegro 2014-2020 of 25 September 2014, integrated by Indicator Description tables is **entirely compliant as all baselines and target values for Result indicators are quantified and credible.**

When points a) through c) of the list above in par. 4 of art. 27 del Reg. 1303/2013, **the Interreg IPA CBC Programme Croatia – Bosnia and Herzegovina - Montenegro 2014-2020 is fully compliant**, as the CP contains in each of the chapter related to the Priority Axis financial, output and result indicators.

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

Concerning point ii) the Interreg IPA CBC Programme Croatia – Bosnia and Herzegovina - Montenegro 2014-2020 is fully compliant as it contains quantified target and/or targets and baseline values for all the indicators identified in the programme. When point iv) is concerned, the CP is fully compliant as it associates correctly in all cases the output indicators to the priority investment.

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

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

The Interreg IPA CBC Programme Bosnia and Herzegovina - Montenegro is fully compliant to the requirements just listed.

It is recommended that indicators are numbered (by association to the Priority and SO) and coded (Common/Specific, Result or Output) and that reference to indicators always refers to such coding.

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Tab. 1 Output Indicators – Assessment of Compliance of the system of indicators to EU regulations

Priority 1 (TP 1)

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point iv)	Reg. 1299 - art. 16, Par 2
1.1. To improve the quality of the services in public health and social care sector across the borders	Number of jointly developed and/or implemented tools and services that enable better quality of health and/or social care services	Number					11	Monitoring of operations (Progress Reports)	Annually	Y	Y	Y
	Number of participants in joint education and training schemes on health and/or social care	Number					343	PR	Annually	Y	Y	Y
	Population covered with improved health and/or social care services (CI)	Number					300000	PR	Annually	Y	Y	Y

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Priority 2 (TP 2)

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point iv)	Reg. 1299 - art. 16, Par 2
2.1. To promote and improve environment and nature protection and management systems for risk prevention	Surface area of habitats supported in order to obtain a better conservation status (ha) (CI)	ha					14	Monitoring of operations (progress reports)	Annually	Y	Y	Y
	Area covered by improved emergency preparedness and risk prevention systems (km2)	km2					17	PR	Annually	Y	Y	Y
	Population benefiting from flood protection measures(CI)	Number					150000	PR	Annually	Y	Y	Y
2.2. To promote utilization of renewable energy resources and energy efficiency												
	Additional capacity of renewable energy production (MW)	MW					32	PR	Annually	Y	Y	Y

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Priority 3 (TP 4)

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point iv)	Reg. 1299 - art. 16, Par 2
3.1.. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	Number of joint tourism offers/products developed and/or implemented and promoted	Number					23	PR	Annually	Y	Y	Y
	Number of tourism providers with (international) certifications and standards	Number					10	PR	Annually	Y	Y	Y
	Number of tourism supporting facilities and/or tourism infrastructure developed and/or improved	Number					13	PR	Annually	Y	Y	Y
	Number of sustainable management plans for cultural and natural heritage sites developed and/or implemented	Number					7	PR	Annually	Y	Y	Y
	Number of participants trained in quality assurance, standardisation on cultural and natural heritage and destination management	Number					343	PR	Annually	Y	Y	Y
	Number of cultural and natural assets developed and/or improved	Number					14	PR	Annually	Y	Y	Y

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Priority 4 (TP 7)

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point iv)	Reg. 1299 - art. 16, Par 2
4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	Number of cross-border business clusters and/or networks developed and/or implemented.	Number					11	PR	Annually	Y	Y	Y
	Number of business support institutions supported.	Number					17	PR	Annually	Y	Y	Y
	Number of laboratories and/or competence centres jointly used by the entrepreneurs developed or improved	Number					16	PR	Annually	Y	Y	Y
	Number of enterprises and business support institutions cooperating with research institutions (CI)*	Number					23	PR	Annually	Y	Y	Y

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Tab. 2 Result Indicators – Assessment of Compliance of the system of indicators to EU regulations

Priority 1 (TP 1)

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point ii)	Reg. 1299 - art. 16, Par 3
1.1. To improve the quality of the services in public health and social care sector across the borders	The level of accessibility and availability of the services within public health care sector	%					75%	HR- Croatian National Institute of Public Health BA -Ministry of Health of RS, Ministry of Health of FBiH and Department for Health of Brčko District ME-Ministry of Health	Annually	Y	Y	Y

Priority 2 (TP 2)

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point ii)	Reg. 1299 - art. 16, Par 3
2.1. To promote and improve environment and nature protection and management systems for risk prevention	Disaster response capability in the programme area	%					89%	BA-Civil Protection Agencies of RS and FBiH ME-Ministry of Interior, Directorate for Emergency Situations	Annually	Y	Y	Y

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Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point ii)	Reg. 1299 - art. 16, Par 3
2.2. To promote utilization of renewable energy resources and energy efficiency	Energy consumption by public buildings in the programme area	kWh/PJ					2508304251,08	HR-Agency for Transactions and Mediation in Immovable Properties (ATMIP) BA-Ministry of Foreign Trade and Economic Relations of BiH ME-Ministry of Economy	Annually	Y	Y	Y

Priority 3 (TP 4)

Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point ii)	Reg. 1299 - art. 16, Par 3
3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	Increase in arrivals of non-residents staying in hotels and similar establishments	Number					73.591.990	Annual statistical reports - Bureau of Statistics	Annually	Y	Y	Y

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Priority	Indicator	Unit	Fund	Category of region (where relevant)	Target value (2023)			Data Source	Frequency of reporting	Compliance to Regulations		
					M	W	T			Reg. 1303, art. 27, Par 4 (1299, art.16/1)	Reg UE 1299, art. 8, par. 2, letter b), point ii)	Reg. 1299 - art. 16, Par 3
4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	Range of cluster activities enhancing innovation, new technologies and ICT solutions	Number					49	HR-Ministry of Entrepreneurship / Chamber of Commerce BA-Ministry of Entrepreneurship and Crafts of FBiH, Ministry of Industry, Energy and Mining of RS ME-Ministry of Economy	Annually	Y	Y	Y

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3.3. Evaluation of individual indicators according to the SMART criteria

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

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

3.4 Conclusion of the assessment of the realism of quantified target values

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

In the case of the target values for few result indicators (marked in the relevant tables), the evaluator is not able to express a definite judgment in the criteria of “achievability” of the targets due to nature of the indicator and/or the activity. However, based on the analysis of the proposed methodology and of the source of data, a positive judgment has been expressed.

From the conceptual point of view, the analysis has not highlighted any relevant weaknesses. The only items to be reported are two indicators under 1.1 and 3.1 whose specificity needs to be based on a more precise definition of the expected output from the proposed actions. The issue can be easily solved in the course of developing further the indicator sheets that the Managing Authority has already produced, where methodologies and calculations methods are also stated.

As already mentioned, **It is recommended that indicators are numbered (by association to the Priority and OS) and coded (Common or Specific, Result or Output) and that reference to indicators always is made through such coding.**

In the following Tables 5.3-2 and 5.3-3 the analysis is synthetically presents in synoptic format.

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SMART ANALYSIS – OUTPUT INDICATORS.

TP 1 - Improving the quality of the services in public health and social care sector											
<i>Specific objective</i>	<i>Output indicator</i>	<i>Common/Program Specific</i>	<i>Unit</i>	<i>Baseline Value</i>	<i>Target 2023</i>	<i>SMART criteria</i>					
						<i>Specific</i>	<i>Measurable</i>	<i>Achievable</i>	<i>Relevant</i>	<i>Time bound</i>	<i>Actions to be undertaken</i>
<i>1.1. To improve the quality of the services in public health and social care sector across the borders</i>	Number of jointly developed and/or implemented tools /services/pilot projects that enable better quality of health and/or social care services	S	Number		11	Y partially	Y	Y	Y	Y	Define precisely the typologies of tools eligible under the proposed actions
	Number of participants in joint education and training schemes on health and/or social care	S	Number		343	Y	Y	Y	Y	Y	
	Population covered with improved health and/or social care services (CI)	C	Number		300.000	Y	Y	Y	Y	Y	

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TP 2 - Environment, risk prevention and energy production											
Specific objective	Output indicator	Common/P rogram Specific	Unit	Baseline Value	Target 2023	SMART criteria					
						Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
2.1. To promote and improve environment and nature protection and management systems for risk prevention	Surface area of habitats supported in order to obtain a better conservation status (ha) (CI)	C	ha		14	Y	Y	Y	Y	Y	
	Area covered by improved emergency preparedness and risk prevention systems (km2)	S	km2		17	Y	Y	Y	Y	Y	
	Population benefiting from flood protection measures (CI)*	C	Number		150000	Y	Y	Y	Y	Y	
2.2. To promote utilization of renewable energy resources and energy efficiency	Additional capacity of renewable energy production (MW)	S	MW		32	Y	Y	Y	Y	Y	

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TP 4 - Tourism and cultural and natural heritage											
Specific objective	Output indicator	Common /Program Specific	Unit	Baseline Value	Target 2023	SMART criteria					
						Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
3.1.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	Number of joint tourism offers/products developed and/or implemented and promoted	S	Number		23	Y	Y	Y	Y	Y	
	Number of tourism providers with (international) certifications and standards	S	Number		10	Y	Y	Y	Y	Y	
	Number of tourism supporting facilities and/or tourism infrastructure developed and/or improved	S	Number		13	Y partially	Y	Y	Y	Y	The definition could be improved to be more specific
	Number of sustainable management plans for cultural and natural heritage sites developed and/or implemented	S	Number		9	Y	Y	Y	Y	Y	
	Number of participants trained in quality assurance, standardisation on cultural and natural heritage and destination management	S	Number		343	Y	Y	Y	Y	Y	
	Number of cultural and natural assets developed and/or improved	S	Number		14	Y	Y	Y	Y	Y	

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TP 7 - Competitiveness and SME development											
Specific objective	Output indicator	Common/Program Specific	Unit	Baseline Value	Target 2023	SMART criteria					
						Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	Number of cross-border business clusters and/or networks developed and/or implemented.	S	Number		11	Y	Y	Y	Y	Y	
	Number of business support institutions supported.	S	Number		17	Y	Y	Y	Y	Y	
	Number of laboratories and/or competence centres jointly used by the entrepreneurs developed or improved	S	Number		16	Y	Y	Y	Y	Y	
	Number of enterprises and business support institutions cooperating with research institutions (CI)*	C	Number		23	Y	Y	Y	Y	Y	

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SMART ANALYSIS – RESULT INDICATORS.

TP 1 - Improving the quality of the services in public health and social care sector												
Specific objective	Result indicator	Common/Program Specific	Unit	Baseline Value	Baseline Year	Target 2023	SMART criteria					
							Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
1.1. To improve the quality of the services in public health and social care sector across the borders	The level of accessibility and availability of the services within public health care sector	S	%	44%	2015	75%	Y	Y	Y	Y	Y	

TP 2 - Environment, risk prevention and energy production												
Specific objective	Result indicator	Common/Program Specific	Unit	Baseline Value	Baseline Year	Target 2023	SMART criteria					
							Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
2.1. To promote and improve environment and nature protection and management systems for risk prevention	Disaster response capability in the programme area		%	55%	2015	89%	Y	Y*	Y*	Y	Y	The evaluator cannot assess adequately the achievability of the target indicated. The methodology proposed appears reliable, but relies heavily on a self assessment exercise. It is suggested a constant assistance to the authorities in charge by the MA especially during the initial phase of the implementation.
2.2. To promote utilization of renewable energy resources and energy efficiency	Energy consumption by public buildings in the programme area		kWh/PJ	2.697.101.345, 25	2010	2.508.304.251,08	Y	Y	Y*	Y	Y	The calculation proposed by the MA appears appropriate, however, the evaluator cannot express a definitive judgment on the achievability of the target indicated.

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TP 4 - Tourism and cultural and natural heritage												
Specific objective	Result indicator	Common/Program Specific	Unit	Baseline Value	Baseline Year	Target 2023	SMART criteria					
							Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
3.1. To strengthen and diversify the tourism offer through cross border approaches and to enable better management and sustainable use of cultural and natural heritage	Increase in arrivals of non-residents staying in hotels and similar establishments	S	Number	73.522.546	2012	73.591.990	Y	Y	Y	Y partially	Y	

TP 7 - Competitiveness and SME development												
Specific objective	Result indicator	Common/Program Specific	Unit	Baseline Value	Baseline Year	Target 2023	SMART criteria					
							Specific	Measurable	Achievable	Relevant	Time bound	Actions to be undertaken
4.1. To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area	Range of cluster activities enhancing innovation, new technologies and ICT solutions	S	Number	33	April 2015	49	Y	Y	Y	Y	Y	

4. THE RATIONALE FOR THE FORM OF SUPPORT PROPOSED (art. 55

Reg. CE 1303/2013, lett. “h”);

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

The causal chain linking the implementation assumptions and the intended outcomes across all levels is in general robust and the “direct ownership” which the cross-border knowledge-transfer projects (under SO 1.1., SO 2.1., SO 3.1, SO 4.1) can claim in relation to the induced changes will be wider than in case of the infrastructure improvements (SO 1.1 & SO 2.2). This is mainly because project activities will directly support an acquisition of new policy-relevant knowledge and the design of new measures for policy improvements in the involved project regions and initiate the necessary processes of organisation-internal or inter-organisational policy learning. With respect to potential risks that might exist at different levels of the intervention strategies (per Thematic Priority), we observe that in general there are no major factors more or less under direct control of the programme management which might have a negative influence on the achievement of the expected outputs/intended results and ultimately also of the specific objectives (not considered are “unmanageable risks”).

5. EVALUATION OF THE PROGRAMME'S GOVERNANCE PROVISIONS

5.1 Implementing structures

The scope and the functions of the management, implementation and control system to be established by the 2014-2020 Programmes are laid in Article 8(4) of the ETC regulation 1299/2013.

Consequently Section 5 of the CP provides a description of the programme bodies and of their functions, further developed in Annexes 9-16. More specifically the programme identifies the following:

- Programme management structure
- Functions of the Joint Monitoring Committee
- Responsibilities of the participating countries
- Functions of the Managing Authority
- Functions of the Certifying Authority
- Functions of the Audit Authority
- Functions of the Joint Secretariat
- Financial Flows

Furthermore, section 5 of the CP, provides:

- the description of the procedures for the generation, application, eligibility, assessment, and selection of operations;
- the procedures for contracting and for the payments of funds;
- the provisions on monitoring (at project and programme level) and the provisions on programme-level evaluations;
- the financial control system ;
- reimbursement from the managing authority to the lead beneficiaries;
- resolution of complaints;
- the computerised exchange of data;
- the programme level information and communication activities;
- the responsibilities of the participating countries /national authorities;
- the use of the Euro.

In general the description in Section 5 complies with the requirements of Article 8 (4) (a) and (b) of the ETC Regulation and also fulfils the content related expectations set out in the CP template **The Ex Ante Evaluator appraises that the programme contains an adequate description of the management and control system, as well as of the support required for smooth implementation. This will assist in ensuring that adequate resources and capacity are in place for the management of the programme.**

For the immediate future, it is recommended that in drafting detailed procedures and implementation manuals, the following be considered:

- Developing a well elaborated mechanism of division of labour between the JS and the national and local authorities involved in the implementation of the programme, also in order to make the most

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efficient use of human resources available in the programme. The cooperation shown in the working of the TF for programming, however, witness of appropriate pre-conditions.

- Special care should be put on the empowerment of beneficiaries, so to ensure that financed interventions can be implemented timely and on the proper track from the administration and compliance point of view;
- First level control (FLC) is a very sensitive area in the implementation process: it is suggested that the designing of procedures, the organization of the system, and the empowerment of staff, is pursued upon programme start. Establishing a network of first level control bodies could be a good step to enhance homogeneity of approaches and cooperation, while favouring streamlining of working processes. Well trained and interconnected FLC bodies may play an important role in the financial progress of the programme.

5.2 The Adequacy of Human Resources and Administrative Capacity for Management of The Programme (art. 55 Reg. CE 1303/2013, lett. “i”)

Information on the proposed approach to human resources and empowerment of staff were discussed during interviews with the MA staff and the designated Head. It has been taken into account the skills set and capabilities present within the human resources and administrative capacities relevant to the specific needs of programme management and delivery, and the experience of the implementing bodies. The Technical Assistance priority provides for resources to support growth and further development of implementing capacities. **The Ex Ante Evaluator appraises that the proposed levels of human resources are proportionate to the needs of the programme management and delivery. It is recommended, however, that a thoroughly analysis of the available capacity is made once the CP enters its implementation phase, in order to re-assess if additional resources need to be mobilised.**

5.3 The suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations (art. 55 Reg. CE 1303/2013, lett. “j”)

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

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

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Finally, Section 5.4.i of the IPA CBC HR-BA-ME 2014-2020 notes that an evaluation plan will be prepared in accordance with Article 110(2)(c) of the CPR. The Ex Ante Evaluator recommends that in drawing up the evaluation plan, cognisance be also given to the need for clarity and completeness, especially in specifying requirements in relation to data collection, other data sources and availability of guidance (training activities). The ex ante evaluator, then, assesses that the programme Developers have taken steps to ensure that the mechanisms are in place to ensure that all aspects of programme implementation (including monitoring and evaluation) are managed effectively and efficiently.

6. HORIZONTAL ISSUES

6.1 The adequacy of planned measures to promote equal opportunities between men and women and to prevent any discrimination, in particular as regards accessibility for persons with disabilities (art. 55 Reg. CE 1303/2013, lett. "l")

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

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

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

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

6.2 The adequacy of planned measures to promote sustainable development (art. 55 Reg. CE 1303/2013, lett. "m")

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

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

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

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

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

6.3 Measures planned to reduce the administrative burden on beneficiaries (art. 55 Reg. CE 1303/2013, lett. “n”)

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

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

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However, the programme developers need to also take cognizance of the Commission's Proposals for the Harmonisation and Simplification of CSF Programmes. For example, all arrangements for the implementation and use of the CSF Funds in relation to the reporting, evaluation, management and control should be proportionate in financial and administrative terms to the level of support allocated. It is important that in the implementation stages that the MA ensures that proportionality is applied at project level also. In addition, Programme developers have the option of agreeing not to hold an annual review meeting in years other than 2017 and 2019. Since programmes take time to launch, the first implementation report and clearance of accounts documents will have to be sent only in 2016. Programme developers could adopt this proposal indicating that the first annual implementation report will be sent in 2016. Finally, the use of electronic data exchange could contribute to lighter and more automated annual reporting, thus decreasing the burden of producing the annual report.

7 INVOLVEMENT OF PARTNERS

The ex-ante team assessed the involvement of partners in the preparation of the Cooperation Programme. The programme document (Section 5.7) gives a satisfactory description of the steps and procedures implemented.

The process of programme development involved different levels of partner involvement:

- the public consultation of the programme via an online survey/questionnaire (about 900 questionnaires sent to potential and actual beneficiaries of 2007-2013 CBC programmes covering the same programme areas) concerning mostly the ranking of thematic priorities);
- the involvement of the Task Force members in a series of workshops and online consultations (6 meetings)
- two rounds of stakeholders consultations workshops - 450 institutions invited in each of the two rounds – 95 participant from 67 institution took part in the three workshops in Gospic (HR), Sarajevo (BA), Tivat (ME), and Zagreb (HR);
- online public consultations, on some key programming documents, of which was given prior notice to the about 500 members of the programme mailing list.

To this should be included the public consultation meetings held within the SEA procedures

Online survey:

The invitation to the online survey, which was accessible from the 6th to the 28th of March was sent to about 900. The return rate was 12%. The mailing list was compiled based on input by TF members, the database of the SEE programme and online registration. It concerned mostly the ranking of TPs.

Thematic workshops: Two thematic workshops have been held in 2014 with the participation of TF members and stakeholders from various institutions reflecting the thematic spectrum of the programme.

Findings and recommendations

The evaluator assesses that the programmes effort to involve partners in the programme preparation process reflects the spirit and substance of the European Code of Conduct on Partnership, and involvement of stakeholders in programme design and implementation and can be considered as sufficient.

ANNEX 1 - STRATEGIC ENVIRONMENTAL ASSESSMENT NON-TECHNICAL

SUMMARY

Introduction

This SEA study is prepared for the proposed Interreg IPA Cross-Border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 (hereafter cooperation programme) that aims to strengthen the social, economic and territorial development of the cross-border area between Croatia, Bosnia and Herzegovina and Montenegro.

The programme has been prepared for an area covering 12 counties on the Croatian side, 109 municipalities on the side of Bosnia and Herzegovina and District Brčko and 10 municipalities on the Montenegrin side. This amounts to total of 87.453.95 km² of programme area with 5.587.836.00 inhabitants.

The programme has a total indicative budget of EUR 57.155.316,00 million for the 2014-2020 period. With this budget and territorial focus, the cooperation programme focuses on four priority axes:

- **Priority Axis 1: Enhancing public health and social care sector (8.573.297 mil €)** with one Specific Objective
 - 1.1 *'To improve services in the area of public health and social sector across the borders'*
- **Priority Axis 2: Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency (14.288.830 €)** with two Specific Objectives:
 - 2.1. *'To promote and improve environment and nature protection and management systems for risk prevention' and*
 - 2.2. *'To promote utilization of renewable energy resources and energy efficiency'*
- **Priority Axis 3: Contributing to the development of tourism and preserving cultural and natural heritage (17.146.595€)** with one Specific Objective:
 - 3.1. *'To strengthen and diversify the tourism offer through cross border approaches and to enable a better management and sustainable use of cultural and natural heritage*
- **Priority Axis 4: Enhancing competitiveness and developing business environment in the programme area (11.431.063 €)** with one Specific Objective
 - 4.1 *'To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area'*

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

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Relationship of the proposed cooperation programme with other relevant plans and programmes

The main aim of EU-funded cross border cooperation programmes is to reduce the negative effects of borders as administrative, legal and physical barriers, tackle common problems and exploit untapped potential.

The main added value of cross-border cooperation is that it helps to better address similar threats and to promote more balanced development. In this regard, Interreg IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014 - 2020 has important relationship to especially European Union Strategy for the Adriatic and Ionian Region (EUSAIR).

EUSAIR has indicative Environmental Quality targets that basically address threats to coastal and marine biodiversity, pollution of the sea and transnational terrestrial habitats and biodiversity. Our assessment concluded that the proposed Interreg IPA cross-border cooperation programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 directly addresses all the relevant EUSAIR environmental quality targets and there is no need for adjustments.

State of the environment and the existing environmental problems in the proposed programme

Seismic risks

The Natural Disaster Risks and Risk Assessment in South East Europe indicates that area addressed within the Cooperation Programme is highly exposed to seismic hazards. On average at least one earthquake strikes the Western Balkans at VII intensity (MSK scale) every three years, at VIII intensity every 15 years, and at XI intensity or higher every 60 years

Climate change, floods and risks

In South East Europe meteorological data so far show only a small temperature rise for the region during the 20th century, and small decline in precipitation, although neither of these is significant enough to identify a clear trend separate from normal climate variability. However, major changes are predicted for the region during the next century. Climate models agree that South East Europe will experience significant rises in temperature, diminishing precipitation, and potentially damaging sea-level rise.

The average temperature is expected to rise across all three countries, within outside bounds of 1.0 to 5.5°C by the end of the century. Most models agree that precipitation will decrease throughout the eastern Mediterranean. Surface runoff (a measure of water availability) will decline by up to 36 % by the end of the century, and peak flows of rivers during the summer will also decrease. While precipitation will decrease overall, most models agree that it will fall in fewer, more intense events, with longer dry periods between events. The risk of flash-flooding is likely to increase in the short term at least, as the rise in rainfall intensity makes this hazard more frequent, also raising the risk of associated hazards such as soil erosion and landslides. Towards the end of the century, flooding is likely to decrease in overall frequency, with extreme floods becoming more common,

Global sea levels are predicted to rise between 0.09 and 0.88 m by 2100, and sea-level rise in the Mediterranean is potentially a significant risk for Croatia and Montenegro. However, it is difficult to predict

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the exact effects of sea level rise along the Adriatic coast due to the fact that the area is tectonically highly active, and local uplift or subsidence could have a greater influence on coastal dynamics than sea level rise.

Meanwhile, rising sea temperatures in the Adriatic are likely to lead to higher wind speeds along the coast, and stronger storms in general, raising the risk of coastal flooding from storm surges, and increasing the likelihood of inundation of vulnerable and ecologically delicate habitats such as wetlands and river deltas in Croatia and Montenegro. More violent storms may threaten coastal areas of Croatia and Montenegro, and cause flash-flooding in inland parts of the programme area.

UNDP, WMO and World Bank and UN/ISDR secretariat² indicate that there is a considerable lack of capacities in the region and that applications and utilization of risk information remain a challenge. While the implementation of risk assessments is slowly increasing in the region, most of the efforts end up in data, technical reports and/or maps that are not necessarily utilized by end users (decision makers, communities, sectors) to support their decision processes or development planning.

Biodiversity, fauna, flora

The programme area has a rich biodiversity in comparison to the average European region, with many endemic species. Several eco-regions stretch across borders. These eco-regions include the Illyrian deciduous forests, the Dinaric Mountains and the Pannonian mixed forests. The Region also contains a number of unique ecosystems, including karstic regions and tectonic lakes. It also host habitats and landscape elements of central importance for large carnivores such as the wolf, Eurasian lynx and brown bear which require large habitats to sustain viable populations.

Of specific trans-boundary interest in the programme area is the presence of *Adriatic Flyway* which is one of the main routes for millions of migratory birds crossing the Mediterranean, with birds making a resting stop along the eastern Adriatic. Another trans-boundary interest is also the presence of *large carnivores* – brown bear, lynx and wolf -because of their wide distribution and migration among the countries in the programme area.

Other trans-boundary interest in the programme area concerns the Sava River Basin system which features outstanding biological and landscape diversity. It hosts the largest complex of alluvial wetlands such as Posavina in the Central Sava Basin and large lowland forest complexes. The Sava River and some of its tributaries offer a unique example of a river with some of the floodplains still intact, thus supporting the flood alleviation and biodiversity. It hosts the largest complex of alluvial floodplain wetlands in the Danube basin and the largest lowland forests. The Sava is a unique example of a river where the floodplains are still intact, supporting both floods alleviation and biodiversity. It has been selected as a focal area in the Pan-European Biological and Landscape Diversity Strategy (PEBLDS).

Lastly, the major part of the programme area belongs to the Dinaric karst area where *karst fields* (or 'krška polja') have great ecological, hydrological, cultural and economic value. In terms of biodiversity, karst fields are

² World Bank and UN/ISDR: South Eastern Europe Disaster Risk Mitigation and Adaptation Initiative Risk Assessment for South Eastern Europe Desk Study Review

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important as wetlands and grasslands of high conservation value as well as important bird areas and should be carefully protected.

Hazardous waste and pollution hotspots

Croatian part of the programme area features the following hotspot that are largely associated with the chemical, petrochemical, machinery manufacture, metallurgical, food and oil industries:

- Factory Salonit d.d. (asbestos cement waste), Mravinačka kava
- Red mud pool and the waste lye of the former alumina plant next to Obrovac
- Unarranged depository with location large quantities of hazardous waste Lemić Brdo next to Karlovac
- Site with slag and ashes-depository of slag in Kaštela Bay.

Furthermore, the Waste Management Plan identified four more “hot-spot” created by long-term inappropriate management of industrial (technological) waste:

- Factory Borovo in Vukovar (remediation of first phase finished in 2010);
- Fuel oil in the screw factory (former TVIK factory) in Knin (remediation plan prepared through Phare 2006 project);
- Area of the closed factory of electrodes and ferroalloys in Šibenik (EPEEF provided loan for remediation);
- Island of Biševo - tar on the Salbunara beach (remediation finished in 2008).

In Bosnia and Herzegovina, there are 6 hotspots in the programme area:

- Mostar Refinery & Smelter
- Jajce smelter
- Jalovište Srebrenica
- Modriča – gudronska jama
- Brod – gudronska jama
- Biračka regija – crveni mulj.

Opinions received from Bosnia and Herzegovina during the consultations on this SEA study also suggest that polluting facilities in Zenica and Maglaj should be added to the above six priority as well as the Pljevlje mine and the hydropower electricity plant on the river Piva in Montenegro that are sources of transboundary environmental risks that should be addressed accordingly.

In Montenegro, four industrial plants) were listed as potential hotspots (both national and/or transboundary), out of which 2 are in the programme area:

- Niksic steel plant;
- Podgorica Alumina plant, Aluminum smelter and rolling mill(s)

Considering the above facts, it was recommended to add decreasing of air pollution should be among the priorities of the proposed Cooperation Programme – and this proposal was fully accepted.

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

Findings regarding Specific Objective 1.1.

The programme's proposed Specific Objective 1.1. '**To improve services in the area of public health and social sector across the borders**' envisages that support will be provided to improving accessibility, quality and effectiveness of public health and social care institutions, developing ICT solutions and joint lifelong learning and training programmes addressing skills and needs in the area of health and social care, joint strengthening of health care for vulnerable groups, networking of organisations in order to create joint activities for enhancing accessibility to health and social services and implementing exchange of experience concerning the transfer of good practices.

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

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

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

Findings regarding Specific Objective 2.1.

The programme's proposed Specific Objective 2.1. '**To promote and improve environment and nature protection and management systems for risk prevention**' aim to support developing and implementing joint initiatives for biodiversity protection and environmental management, improving emergency preparedness and risk prevention systems for key cross-border hazards such as (fire, floods, draughts and other disasters) and implementing projects for reducing or mitigating environmental problems and risks including small-scale infrastructure.

The proposed interventions under Specific Objective 2.1 include actions related to environmental protection which are expected to have positive impacts without any risks of adverse impacts. Our recommended measures for actions related to joint environmental management initiatives are:

- a. Consider adding 'monitoring and management of large carnivore populations and their habitats', 'protection and restoration of coastal wetland areas and karst fields' and 'joint initiatives on trans-boundary marine protected areas' amongst examples of eligible joint environmental management initiatives;
- b. If suitable applications arrive, prioritize trans-boundary cooperation related to protection of Sava River Basin floodplains and especially those in Central Posavina; and cooperation for connecting National Park

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Sutjeska in Bosnia and Herzegovina with National Park Durmitor and the planned Regional Park Maglic, Bioc and Volujak in Montenegro, and cooperation on improving forest ecosystems with the goal to protect them from floods, prevention of erosion and reducing climate changes. Transboundary cooperation on forest protection against fires, plant deceases and pests-

- c. Eligible activities may also include those related to trans-boundary air pollution, especially air pollution in Slavonski Brod and Brod-Posavina County which is caused by industry “Rafinerija nafte Brod” from the Bosnia and Herzegovina, as well as pollution from other potential sources that could be significant in trans boundary terms.

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

- d. Consider also adding mapping of various water pollution hazards in the flood zones in accordance with the EU Floods Directive as part of single disaster risk prevention and management system as part of emergency preparedness and risk prevention systems.
- e. If suitable applications arrive, prioritize trans-boundary cooperation for emergency preparedness and measures to address water pollution hazards in Neretva river and Mali Ston Bay, Una river, Krka river, Cetina river and Drina river
- f. All supported activities on flood protection should promote a long-term flood protection and retention approach and aim to expand natural retention by e.g. promoting the ‘room for river’ approach that allows flooding during periods of high discharge. Supported measures must not restrict natural retention of flood plains.
- g. Flood prevention and drought protection projects should not be planned on locations where they will not have a negative impact on the Ecological Network target features or integrity, and cannot worsen ecological status of water bodies.
- h. Supported infrastructural projects must be subject to applicable environmental standards and be subject - as and when needed - to applicable environmental impacts assessments, assessments of impacts on Natura 2000 network and must include consultations on trans-boundary impacts (if such impacts are expected).

Findings regarding Specific Objective 2.2.

The programme’s proposed Specific Objective 2.2. ‘**To promote utilization of renewable energy resources and energy efficiency**’ plans to promote utilization of renewable energy production and energy efficiency in the programme area through exchange of experience; elaboration of joint studies and capacity building; implementing joint pilot projects, joint investments in public infrastructure and joint incentives in order to improve planning and regulatory framework.

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

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

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

We also recommend that:

- d. Supported projects must be subject to applicable environmental and health protection standards and be subject (when needed) to: environmental impacts assessments, assessments of impacts on Natura 2000 network and consultations on trans-boundary impacts (if such impacts would be expected).
- e. Wind turbines and large solar parks should not be planned within areas important for bird preservation (Special Protection Areas, SPA).
- f. Large solar parks and hydropower plants should not be planned within areas important for preservation of species and habitat types (Special Areas of Conservation, SAC)
- g. Wind turbines and solar parks should not be located on very valuable agricultural soil (P1) and valuable agricultural soil (P2).
- h. It is recommended to finance smaller-scale solar power projects (use of several panels, rather than large parks). Solar parks should be limited to already built urban areas.
- i. Any larger-scale promotion of biomass farming should be permitted only if it can be proved that it will not lead to the deterioration of already achieved state of any water body surface and groundwater. Biomass farming should not be supported on vulnerable areas under Nitrate Directive, unless such project applications prove that the choice of crops and farming practice will not increase fertilizers and pesticides loads.
- j. Targeted support can be provided to elaboration of renewable energy plans on local/regional level in the study area and their optimizing through SEA processes. Such plans may be helpful for guiding preparations of specific investment projects and they can simplify environmental permitting processes (if SEA it done well). Such plans, can also consider any possible trans-boundary impacts.

Findings regarding Specific Objective 3.1.

The programme's proposed Specific Objective 3.1. 'To strengthen and diversify the tourism offer and to enable better management and sustainable use of cultural and natural heritage' envisages that support will be provided especially to cross-border networking of institutions in tourism sector; developing, promoting and branding of joint tourism niches and products for diversification of tourism offer; developing complementary services in tourist offer that utilize natural and cultural potentials of the programme area; promoting and introducing (international) certifications and standards; supporting destination management; and developing innovative offers and services using ICT and other technologies (e.g. GPS routes, booking systems); valuating, preserving, restoring and reviving cultural, historical and natural heritage, including improving access to them, joint cultural events such as cultural festivals, cultural exchange; training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) on cultural and natural heritage and small scale infrastructure related to cultural and natural heritage

The cooperation programme also include a **strategic project 'Adriatic Hinterland'** which will support the first phase of a planned 10-year programme that aims to provide incentives for the development of rural tourism and related infrastructure in hinterland areas of HR, BA, and ME. The project will include - among other - creation of "Adriatic hinterland" touristic product visual identity, active promotion of the destination through available information channels, identification of priority investments and technical assistance and capacity building for local stakeholders interested in the programme. These interventions may have some local impacts on biodiversity and Natura 2000 network with possible minor local impacts on water quality, landscape and cultural heritage. These interventions are also expected to bring positive impacts on cultural heritage and also possibly on natural heritage sites. However, inappropriate implementation of these activities poses risks of unintended adverse impacts on tangible and intangible attributes of heritage sites and on nature heritage sites. Our recommended measures for reducing risks of adverse impacts and enhancing positive environmental impacts of these interventions are:

- a. Consider prioritizing eco/agro-tourism activities that contribute to sustainable development in protected areas.
- b. Ensure, in the project preparatory phase, that no important and protected habitats and species (target features) are endangered by the planned infrastructure and activities and that the proposed projects do not worsen existing status of surface water and groundwater bodies.
- c. Consider needs related to waste management and also waste-water treatment (using e.g. cheap decentralized options that can well cope with short-term pollution peaks during summer periods) as part of preparation of projects in the destination that will be prioritized for targeted promotion.
- d. The supported projects must meet all applicable national rules for cultural heritage protection.
- e. It is also recommended to inform prospective applicants about the following principles that should guide their planning of interventions for sustainable use of cultural and natural heritage:
 - Conservation plans must contribute to the authenticity and integrity of the sites and monuments and their tangible and intangible elements.

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- Conservation plans must address all relevant factors necessary for adequate long-term safeguarding and sustainable use of the heritage site or monument.
- The principal objectives of the conservation plans should be clearly stated. The proposals in the conservation plan must be articulated in a realistic fashion, from the legislative, financial and economic point of view, as well as with regard to the required standards and restrictions.
- The conservation plans should aim at ensuring a harmonious relationship between the heritage sites and monuments and the surrounding environment as a whole. Wherever necessary for the proper protection of the property, an adequate buffer zone should be provided.
- New functions and activities should be compatible with the character of the heritage sites and monuments. Proponents must ensure that such changes do not impact adversely on the outstanding value of the heritage site or monument.
- Before any intervention, existing conditions in the area should be thoroughly documented.
- Conservation planning should therefore encourage the active participation of the communities and stakeholders concerned with the property as necessary conditions to its sustainable protection, conservation, management and presentation.

Findings regarding Specific Objective 4.1.

The programme's proposed Specific Objective 4.1 '**To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area**' aims to support - among others - the business-support institutions and networks in order to enhance standardisation, certification, product protection, research, marketing, e-commerce and development of cross-border markets; competitiveness and education and training in entrepreneurship skills; actions directly linked to attracting direct investments in the programme area; and research and development activities in order to increase competitiveness.

These interventions are not expected to have any significant impacts on the environment. In order to enhance their potential positive environmental impacts, we recommend considering potential support to business clusters that address opportunities arising from:

- organic agriculture products,
- sustainable farming and collection of organic aromatic herbs and their promotion on international markets.

Alternatives considered, uncertainties and the need for environmental monitoring

This SEA study has focused on the two alternatives - 'do nothing' and 'proposed programme'. Information provided within Chapters 5 and 6 of this study outline the expected impacts of proposed programme as compared with 'do nothing' option. The SEA was conducted in ex-ante manner during final 4 months of the programme elaboration. Within this context, the assessment aimed to identify possible problems and

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measures during the formulation of the programme itself- and indeed, several recommendations, especially those related to Priority Axis 2 were directly incorporated into the proposed version of the cooperation programme. In this regard, the Managing Authority and the programming team strived to optimize the cooperation programme so that it does not pose - on the level of the programme itself - any risks to environment and maximizes opportunities for achieving positive impacts on the environment. The recommendations provided within this SEA study should be treated as additional detailed safeguards to ensure that this happens.

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

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

However, joint environmental management initiatives under the programme Specific Objective 2.1 may provide useful data on biodiversity protection, water quality, flood risks and related hazards. Any proposals for monitoring systems should be therefore consulted with the relevant national authorities in order to maximise potential synergies with higher-level monitoring systems.

ANNEX 2. EVALUATION APPROACH & METHODOLOGY

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

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

METHODS AND TECHNIQUES USED BY THE EX-ANTE EVALUATION

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

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

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