

## **IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina – Montenegro 2021-2027**

### **Programme summary – starting points, scope and objectives**

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The IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina – Montenegro will support cross-border cooperation between the participating countries in the upcoming programming period 2021-2027. The programme is currently in the preparation phase, during which key variables of the programme are being agreed between the participating countries in line with the programming process consisting of Programming Task Force meetings and consultations with the relevant stakeholders and partners where the programme area shared challenges are identified as well as measures to address them. This paper summarises the current version of the IPA Cross-border Cooperation Programme Croatia – Bosnia and Herzegovina – Montenegro 2021-2027 providing a brief overview on the strategic orientation of the programme. The Interreg IPA CBC Programme Croatia – Bosnia and Herzegovina – Montenegro 2021-2027 will build on the achievements, experiences and lessons learned of 2014 – 2020 and previous programming periods through the implementation of envisaged joint cross-border activities.

#### **1. Starting points (Background information)**

The proposed programme area is identical to the one of the previous programming period 2014-2020. The programme area covers 12 counties on the Croatian side, Brčko District of Bosnia and Herzegovina and 109 municipalities/cities on the side of Bosnia and Herzegovina and 11 municipalities on the side of Montenegrin border. This amounts to total of 87.453,95 km<sup>2</sup> of programme area with 5.587.836 inhabitants. The programme area has significant potential and numerous advantages, but is also facing different challenges affecting sustainable development such as climate change, environmental degradation, and the transition to a climate-neutral economy. Expected Programme results will contribute to reaching goals set by the **European Green Deal** and underlined by **the United Nations 2030 Agenda for Sustainable Development**. The Programme is directly linked to the **European Strategy for the Danube Region (EUSDR)** and the **European Strategy for the Adriatic and Ionian Region (EUSAIR)**.

The Interreg IPA CBC Programme Croatia – Bosnia and Herzegovina – Montenegro is also in line with the general objective of IPA III which is to support the beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries to comply with Union values.

#### **2. Programme objectives and scope (Programski ciljevi, prioriteti i područja intervencije)**

The overall objective of the Interreg IPA CBC Programme Croatia – Bosnia and Herzegovina – Montenegro 2021-2027 is to foster smart, green and inclusive development of the cross-border region through the implementation of joint projects and activities to be supported within three selected policy objectives:

**Policy Objective 1 (SMARTER EUROPE)** - a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity

**Policy Objective 2 (GREENER EUROPE)** - a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility

**Policy Objective 4 (SOCIAL EUROPE)** - a more social and inclusive Europe implementing the European Pillar of Social Rights

The selected policy objectives have been translated into four priority axes which will enable the programme to become the tool for implementing smart solutions that answer to the programme area needs and challenges. Within four priority axes, seven specific objectives indicate specific changes that the IPA CBC Programme Croatia – Bosnia and Herzegovina – Montenegro 2021-2027 anticipates achieving through implementation of specific actions.

### **Priority axis 1 – Smart investments in research, innovation and competitive entrepreneurship**

Policy objective “Smarter Europe” (translated into Priority axis 1) is extremely important for the development of the programme area due to insufficient development compared to EU countries and an uneven development among the three participating countries. Although underdeveloped, all three countries have a good basis for progress in this field. The development of the programme area in relation to this Priority axis was recognized through opportunities for the development of projects related to research and innovation and competitiveness of SMEs.

The financial allocation to this priority has been preliminary proposed to amount to 20% of total programme EU funding, however final decision is yet to be taken by the Programming Task Force.

Projects to be funded under this priority will have to tackle the following specific objectives (SO):

#### *SO 1.1 - Developing and enhancing research and innovation capacities and the uptake of advanced technologies*

This specific objective will be achieved through cross-border cooperation implementing the following indicative list of actions:

1. Supporting research and development institutions, public research centres, universities and centres of competence in stimulating cross-border innovation and technology based on smart specialization approach.
2. Strengthening and modernising business support services that could help with: trainings, marketing, developing and or implementing new services/products using ICT and new technologies, implementing innovative solutions in business organisation and processes, etc.
3. Accelerating innovation and technology transfer (e.g. blue and green economy, agriculture, food production, fisheries and aquaculture, climate change, renewable resources, smart manufacturing, biodiversity, cultural and creative industries, skills development for smart specialization, health and future digital technologies), cooperation between research institutions, SMEs, public sector, and development organisations to stimulate innovation and technology development based on smart specialization approach.
4. Investments in small scale research infrastructure and equipment

SO 1.3 – Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments

This specific objective will be achieved through cross-border cooperation implementing the following indicative list of actions:

1. Supporting local SMEs to face challenges related to their size, limited resources (such as skills and finance) or industry and market conditions, including within supply chains and with larger enterprises by the means of voucher schemes to purchase cross-border business advice or in the form of sub-granting or SPF.
2. Improving the capacity of entrepreneurs including micro entrepreneurs such as family farms regarding marketing, branding, market research, e-business, competitiveness and education and training in entrepreneurship skills in the areas of agriculture, tourism and ICT.
3. Developing and supporting existing business clusters and networks of SMEs in order to develop and promote common products for local cross-border and international market.

**Priority axis 2 – Green investments in environmental protection and efficient risk management**

Policy Objective “Greener Europe” (translated into Priority Axis 2) is extremely important for the development of the programme area due to the common problem of all three countries. Diversity in the use of energy resources and insufficient use of RES are among the main challenges. At the same time, there is significant potential for the use of RES throughout the Programme area. Further steps are needed to achieve better energy efficiency, reduce pollution caused by the excessive use of fossil fuels in transport and heating, and better environmental protection in general.

The financial allocation to this priority has been preliminary proposed to amount to 40% of total programme EU funding, however final decision is yet to be taken by the Programming Task Force. The size of the allocation reflects the needed investments in the areas of sustainable energy/renewable energy, climate change adaptation and risk management. Projects to be funded under this priority will have to tackle the following specific objectives (SO):

SO 2.1 - Promoting energy efficiency and reducing greenhouse gas emissions

This specific objective will be achieved through cross-border cooperation implementing the following indicative list of actions:

1. Developing and implementing joint pilot and demonstration actions on innovative technologies, measures and solutions in the field of energy management and reducing greenhouse gas emissions (e.g. monitoring of air quality and other parameters in public buildings on a larger scale).
2. Investments in measures and actions that increase energy efficiency and improve the integration of sustainable energy sources in different sectors.
3. Promoting pilot actions in the buildings sector which are in line with the Renovation Wave and the EU Green Deal. Cross-sectoral nexus approach should be emphasized by integrating buildings energy and seismic retrofit.
4. Joint incentives and pilot projects to encourage and ensure a strategic approach to energy efficiency (e.g. developing SECAP).



5. Strengthening the cross-border cooperation and transfer of knowledge in the region through exchange of experience, information (awareness raising) and knowledge and capacity building through online and in-situ trainings in order to improve skills in the field of energy efficiency.

SO 2.4 - Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches

This specific objective will be achieved through cross-border cooperation implementing the following indicative list of actions:

1. Development and introduction of joint solutions and systems for monitoring, prevention and management of potential risks (e.g. floods, wildfires, landslides, droughts, sea pollution, earthquakes etc.).
2. Encouraging intersectoral/interstate cooperation in risk prevention and rapid response management through development and implementation of joint protocols, procedures and approaches.
3. Strengthening of institutional and expert capacities and raising awareness to address environmental issues, climate change and disaster risks.
4. Establishment of joint emergency centres, including small-scale infrastructure and equipment, as well as promoting small-scale investments in public training infrastructure.
5. Development of cross-border risk assessment and disaster risk strategies for cross-border hazards such as forest fires, landslides, floods and relative sea-level change.

SO 2.6 - Promoting the transition to a circular and resource efficient economy

This specific objective will be achieved through cross-border cooperation implementing the following indicative list of actions:

1. Developing and implementing approaches and solutions for limiting landfilling of all types of waste and retaining their value (as future resources) in the economic cycle.
2. Increasing awareness of policy makers and stakeholders about environmental and economic opportunities of a circular economy and improving their capacity for the practical implementation of circular economy approaches in different sectors (such as electronics, construction and buildings, textiles, plastics, packaging, food, agriculture).
3. Developing and implementing joint pilot and demonstration actions that closely involve citizens (e.g. good practices in separate waste collection and waste re-use, pilot testing of repair, reuse and refurbish approaches etc.) in order to foster behavioural changes, higher acceptance of more sustainable products and resource-efficient consumption and production patterns.

### **Priority Axis 3 – Accessible and resilient health services**

Policy Objective “Social Europe” (the scope related to health services translated into Priority Axis 3) is extremely important for the development of the programme area due to the current situation which is considered to be mostly insufficiently managed in terms of sustainability of health and social care systems which show reduction of medical staff, while population aging is increasing. The key development opportunities are the recognized need for deinstitutionalization of health and social



care. The health system has a well-established infrastructure that can be modernized to be more efficient. Strengthening the cooperation between healthcare providers could help them to function more effectively in the context of increasing mobility of patients and healthcare professionals.

The financial allocation to this priority has been preliminary proposed to amount to 15% of total programme EU funding, however final decision is yet to be taken by the Programming Task Force. Projects to be funded under this priority will have to tackle the following specific objective (SO):

*SO 4.5 - Ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family-and community based care*

This specific objective will be achieved through cross-border cooperation implementing the following indicative list of actions:

1. Development and implementation of ICT solutions and (pilot) actions to support digitalization in health care.
2. Joint investment and improving of health care and long-term care for vulnerable groups, with focus on elderly, children and disabled persons.
3. Purchase of high-tech equipment to support joint cross-border services, e.g. telemedicine, diagnostics, mobile clinics, including small scale infrastructure.
4. Transfer of knowledge in the region through exchange of experience, awareness raising, and knowledge and capacity building through online and in-situ trainings in order to improve skills in the field of health care and social care (including primary care and family- and community-based care);

#### **Priority Axis 4 – Sustainable and inclusive tourism and culture**

Policy Objective “Social Europe” (the scope related to tourism and culture translated into Priority Axis 4) is extremely important for the Programme area due to the fact that the tourism sector plays an important role in the economy, significantly contributing to employment and added value. The Covid-19 pandemic has negatively affected tourism, culture, and related sectors, which have suffered significant losses, especially micro and small enterprises. In the financial perspective 2021-2027, it is important to develop a more resilient and sustainable tourism sector that will preserve the identity of the programme area and its shared resources, natural and cultural heritage that is currently challenged by insufficient conservation and sustainable valorisation.

The financial allocation to this priority has been preliminary proposed to amount to 15% of total programme EU funding, however final decision is yet to be taken by the Programming Task Force. Projects to be funded under this priority will have to tackle the following specific objective (SO):

*SO 4.6 - Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation*

This specific objective will be achieved through cross-border cooperation implementing the following indicative list of actions:

1. Developing and implementing joint (pilot) actions to support diversification of the tourism by investing in lesser-known destinations and diverse forms of tourism (cultural, rural, agro-tourism, active tourism, health, etc.).



2. Developing and implementing innovative solutions, creating smart destinations, (e.g. through digitalisation and creative industries), and new services and products for specific targeted market segments (seniors, young people or people with disabilities).
3. Development and implementation of measures to protect, develop and promote cultural heritage and cultural services.
4. Support for SMEs, including social innovation in tourism and culture - development of existing or new tourism and culture businesses (emphasizing protection, development and promotion of natural heritage and eco-tourism).
5. Investments in physical regeneration and security of public spaces, in the scope of their inclusion in the touristic and/or cultural circuit.