Ongoing evaluation of the

Cooperation Programme Interreg V-A Slovenia-Croatia

Final report, August 2017

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# Abbreviations

| | |
|---|---|
| CBC | Cross-border Cooperation |
| CP | Cooperation Programme |
| eMS | electronic Monitoring System |
| ETC | European Territorial Cooperation |
| FLC | First Level Control |
| HR | Croatia |
| IP | Investment priority |
| JS | Joint Secretariat |
| LP | Lead Partner |
| MA | Managing Authority |
| MC | Monitoring Committee |
| NA | National Authority |
| PA | Priority Axis |
| PP | Project partner |
| SI | Slovenia |
| SO | Specific objective |

# 1. Introduction

## 1.1. Purpose of evaluation

The purpose of this evaluation was to assess the programme management and implementation with the main focus on the open call project application and selection procedure and on the implementation of the Communication strategy. **Evaluation questions:**

- How efficient and effective are the programme structures?
- How efficient and effective are the programme procedures?
- What is the progress of the programme towards achieving targets of specific objectives?
- What is the progress in implementation of communication strategy and achievement of the set objectives?

## 1.2. Methodological steps

Methodological steps:

| Step | Timeline |
|---|---|
| 1. Meetings with JS to clarify the tasks | April 2017 |
| 2. Design of the questionnaire for LPs in cooperation with the JS | April 2017 |
| 3. Analysis of secondary sources | April – May 2017 |
| 4. Processing of online survey for LPs | May 2017 |
| 5. Interviews with programme bodies | June 2017 |
| 6. Observation, judgment, assessment | June 2017 |
| 7. Draft report | July 2017 |
| 8. Final Report | August 2017 |

The analysis is based on the monitoring data provided by the Joint Secretariat (JS), data from Application Forms of approved applications in the $1^{st}$ deadline of the open call, and data available on the programme website. The overall cut-off date was 10 May 2017 (i.e. when the projects submitted to the $2^{nd}$ deadline were selected), whereas data on the achievement of indicators of the Communication strategy refer to 31 December 2016.

Lead Partners (LPs) of all applied projects in the $1^{st}$ deadline were invited to take part in an online survey. The survey was opened from 20 April to 15 May 2017. 91 LPs (some LPs applied with several projects), were invited to participate in the survey. 30 responses (33%) were received, of which 8 (27%) from Croatian and 22 (73%) from Slovenian LP organizations. The interpretation of findings should be made with some reservation regarding validity for the entire target group of applicants or beneficiaries.

Qualitative data were collected from interviews with the Managing Authority (MA), Joint Secretariat (JS), National Authorities (NAs) in Slovenia and Croatia and First Level Control (FLC) in both countries.

Main secondary sources used: Cooperation Programme Interreg V-A Slovenia – Croatia, Communication strategy, Application Pack published on the programme Website, and Application Forms.

The approved projects are still in the early phase of implementation, therefore the assessment of progress towards the achievement of the programme specific objectives was made on the basis of expected contributions of projects approved to the programme output indicators.

Due to limited resources for analysis, the assessment focused on smaller number of aspects.

# 2. Collection of data and analysis

## 2.1. About the programme and main milestones

The programme area comprises 17 NUTS 3 regions: 9 statistical regions in Slovenia and 8 counties in Croatia. The programme on the Slovenian side includes one new region – Zasavska. The programme area has 31,728 km$^2$ and 3,285 million people (2013). The Cooperation Programme (CP) comprises four Priority Axes (PA) and five Specific Objectives (SO). The programme budget is 55.7 million Euro with 46.1 million Euro of ERDF contribution.

**Table 1:** Structure of the Cooperation Programme

| PROGRAMME VISION | | |
|---|---|---|
| "The Cooperation Programme INTERREG V-A Slovenia-Croatia aims at promoting sustainable, safe and vibrant border area by fostering smart approaches to preservation, mobilization and management of natural and cultural resources for the benefit of the people living and working in or visiting the area." | | |
| PROGRAMME OBJECTIVES | | |
| **Priority axis 1:** Integrated flood risk management in transboundary river basins | **Priority axis 2:** Preservation and sustainable use of natural and cultural resources | **Priority axis 3:** Healthy, safe and accessible border areas |
| Thematic objective 5:<br><br>**Investment priority 5b –** Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems<br><br>**Specific objective 1.1:**<br><br>Flood risk reduction in the transboundary Dragonja, Kolpa/Kupa, Sotla/Sutla, Drava, Mura and Bregana river basins. | Thematic objective 6:<br><br>**Investment priority 6c -** Conserving, protecting, promoting and developing natural and cultural heritage<br><br>**Specific objective 2.1:**<br><br>Active heritage preservation through sustainable tourism<br><br>**Investment priority 6d -** Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure.<br><br>**Specific objective 2.2:**<br><br>Protecting and restoring biodiversity and promoting ecosystem services | Thematic objective 11:<br><br>**Investment Priority 11:** Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions.<br><br>**Specific objective 3.1:** Building partnerships among public authorities and stakeholders for healthy, safe and accessible border areas |
| EXPECTED RESULTS | | |
| **Result 1.1:** a common strategic and implementation approach for better-coordinated, coherent and strategic flood risk management in the border area. | **Result 2.1:** The border area will preserve some of its most important cultural and natural heritage sites but will also increase their quality, sustainability and attractiveness.<br><br>**Result 2.2:** Improved conservation status (CS) of cross-border Natura 2000 species and habitats types which are of common interest for preservation. | **Result 3.1:** New or strengthened existing cross-border structures that will enable cross-border delivery of services in public interest or improve access to such services in peripheral border areas with significant gap in service delivery. |
| Priority axis 4: TECHNICAL ASSISTANCE | | |
| **Specific objective 4.1:** Provide the efficient and frictionless enforcement of the cooperation programme. | | |

Source: CP Interreg V-A Slovenia Croatia

The Cooperation Programme Interreg V-A Slovenia-Croatia (CP) was approved by the European Commission on 1 October 2015.

All key programme and project implementation procedures are supported by a new electronic Monitoring System (eMS). It is used by all programme bodies, applicants and beneficiaries, however with different levels of accessibility. The eMS became operational in September 2015.

Description of management and control system was approved by the Audit Authority.

The kick-off event was organized in Celje (SI) on 9 December 2015.

The Monitoring Committee (MC) was set up on its $1^{st}$ meeting held on 30 November – 1 December 2015. At the same meeting the documentation for the open call for proposals, the programme eligibility rules, criteria for approval of strategic projects and Communication strategy were approved.

The CP foresees three types of projects and two different selection procedures: strategic projects (PA1) and Technical assistance projects (PA4) are directly approved by the MC, non-strategic projects under PA2 and PA3 are selected on the basis of the procedure for open call for proposals.

The open call for proposals under PA2 and PA3 was published on 15 January 2016. By 10 May 2017, applications received to two deadlines have been processed. Under the $1^{st}$ deadline, 5 projects were approved and Subsidy contracts signed in October 2016, while 9 projects were postponed. Another 12 projects from the $2^{nd}$ deadline were approved and 17 postponed at the $4^{th}$ MC meeting.

PA1 strategic project FRISCO 1 was conditionally approved in April 2016, while FRISCO 2 was under preparation.

## 2.2. Implementation of the Open call for proposals

The Open call system enables the applicants to submit project applications continuously after the call is launched until the programme funds are available. The JS publishes deadlines agreed by the MC to which applications need to be submitted in order to be included in the project selection procedure at the following MC meeting.

### 2.2.1. Support to applicants in the project generation and application phase

The MA/JS in cooperation with the NAs provides support to potential applicants in project development and preparation of applications. The main forms of support are to a great extent harmonized between the CBC programmes managed by Slovenia and comprise:

- The CP and guidance available at the programme website: open call, application pack, frequently asked questions, other relevant information, such as a summarised methodology for the calculation of programme indicators;
- Informative workshops for applicants are organised by the MA/JS and in cooperation with the NAs. Usually, one workshop is organised on the Croatian and one on Slovenian side. Materials presented at workshops are published on the programme website;
- The JS offices operate in Ljubljana (SI), Buzet (HR) and Krapina (HR). The staff is accessible by e-mail or phone and face to face meetings can be scheduled. The JS provides technical support and advice; including IT support concerning technical questions related to the eMS.
- Content based support and advice is provided by the NAs in Slovenia and Croatia (e-mail, phone, face to face meetings).

*Usefulness of programme documents and guidelines*

The LP-survey respondents assessed usefulness of the key documents needed for the preparation of project proposals, which are all available at the programme website in Croatia, English and Slovene.

In the view of LP-survey respondents the overall usefulness of these documents was very good. FAQs were not found very useful by 11% of respondents, whereas those shares were smaller for the CP (7%) and manual (4%).
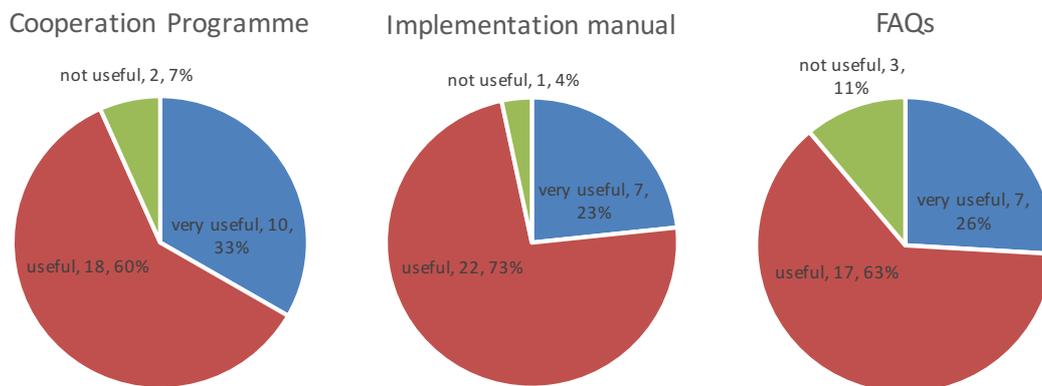


Chart 1: Usefulness of the supporting documents for preparation of applications

*Workshops for applicants*

Workshops for applicants were organised after deadlines for submission of applications were announced. In the 1st round, one workshop was organized on each side, whereas in the 2nd round three workshops were organized. There was great interest for attending the workshops in particular during 1st deadline. After all places were booked, the JS enabled life streaming of the workshop in Opatija on the internet.

The CP programme, content and requirements of the open call including guidance regarding eligibility of costs and information and publicity were presented at workshops. In the 2nd round, most common mistakes made by applicants to the 1st deadline and a session on how to prepare quality CBC projects were added. The NAs also organized a thematic workshop dedicated to potential applicants under Investment priority 6d in the 2nd round.

Respondents to LP-survey who attended the workshops for applicants, assessed them very useful (21%) and useful (71%); 8% found these workshops useless.
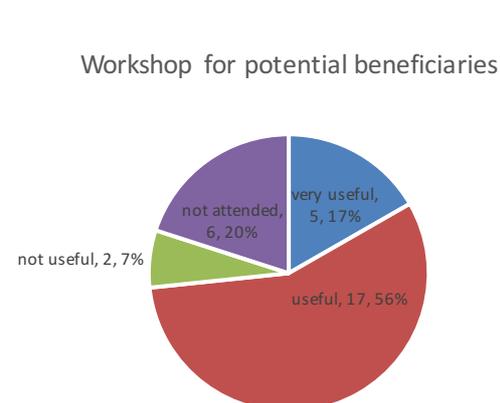


Respondents' proposals for improvement of workshops:

- Present best practice projects;
- Put more focus on concrete problems.

The JS observed that many applicants came to the workshop unprepared. More questions were asked during breaks than in the plenary.
The attendance at the 2nd round was not so big. It is assumed that applicants did not recognize a need to attend once more as they had already participated in the 1st round.

Chart 2: Usefulness of workshops for applicants

*Development of project proposals*

67% of the surveyed LPs applied with 1 project, 30% with 2 projects and one respondent applied with 4 projects (3% of all respondents).

Respondents assessed different aspects of the project development. Most challenging for 84% of the respondents was to understand State Aid, 67% found it difficult to ensure co-financing, whereas 60% had difficulties in aligning the project with the CP. Forming a partnership was easy/very easy for 73% of respondents.

## Development of project proposals
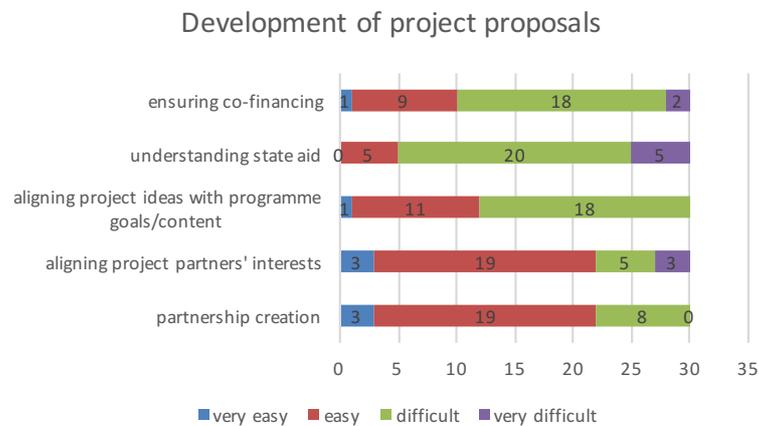


Chart 3: Assessment of specific elements of the project development

According to the JS, about one third of applicants came for individual consultations. Applicants were requested to send a brief description of the project idea in advance.

The JS addressed technical questions, many referred to understanding the programme indicators and methodologies behind them. Content related issues were discussed with the NAs, sometimes meetings with the JS and NA in Slovenia were held together. Queries received by phone or e-mail often referred to information that was already published in the application pack.

The NA Croatia used to provide advice only by phone or e-mail. Individual consultations were for the first time organized in this programme and were assessed very positive. Queries of applicants often related to how own co-financing can be ensured. Many project ideas addressed investment priority 6c. Applicants needed information regarding the monitoring of the number of visitors or which cultural heritage could be addressed in projects as in Croatia there is no uniform register of cultural heritage, whereas the information can be e.g. evident from county spatial plans. The NA observed that the overall quality of project ideas was not very good. SMEs have so far not been able to find themselves in projects addressing the investment priority 6c. According to the NA, the project applicants focused very much on tourism whereas other areas were tackled to a lesser extent. Indicators under the investment priority 6d are quite complex and applicants found it difficult to align them with own project ideas. Although there was high interest for this priority, which was reflected also in well attended additional workshop organized by the NAs, not many applications were eventually submitted. There are several potential applicants on the Croatian side. However, they seem to have focused capacities to mainstream national programmes, which were of a bigger size. As deadlines of these programmes overlapped with the open call, they found it difficult to work simultaneously on both/several programmes. Beside social and health care, the projects under PA3 have not yet addressed other sectors, what may not have been stressed enough at workshops.

The NA Slovenia supported applicants with regard to information on relevance of the proposed project for the CP, eligibility of investments, State Aid, … On a needs basis, the NA consulted with relevant ministries. Most queries concerned the investment priority 6c and only a few 6d. Slovenian NA noted that applicants were facing challenges in establishing the project intervention logic, e.g. how to distinguish between outputs and deliverables or how to link the project with the programme results. Also, the partnerships tended to work on specific local needs of individual partners and put them together whereas real cross border challenges and potentials were not convincing. This reflects also lack of other national/regional programmes supporting investment needs of municipalities.

Contents that are to be addressed by the Investment priority 6d are very specific and the number of competent organizations on the Slovenian side is smaller than for the investment priorities 6c or 11. The published summary of the methodology for calculation of indicators does not seem to be sufficient for the applicants to understand the context, especially for the investment priority 6d.

It was also noted that the scope of the PA3 was not sufficiently examined by applicants and thus opportunities for the development of quality projects have not yet been properly addressed. Cooperation between the two NAs is considered very good, communication with regard to specific project ideas is quite common.

By assessment of the programme bodies, it was rather challenging for the applicants to find the right timing for consultations. In the early phase the partnerships were not yet fully formed, while in the late stages not many changes could be made. The approach of the NA in Slovenia was not to meet with the applicants in the last 14 days before the deadline for submission.

*Preparing applications in eMS*

20% of the LP-survey respondents found the system very difficult and 67% difficult. The system was easy to use for only 13% of the respondents. The Project budget was most difficult to prepare for 73% and the Work plan for 53% of the respondents.

Several deficiencies of the eMS were mentioned:

- The system was not found user friendly, not clear what the application requires until you get there;
- It was hard to keep an overview of the entered data (ticking of boxes, pdf was different from data entered in eMS, difficulties with the saving function, numbers in different parts did not match, clicking enter after inserting a budget lines could bring you to a different budget line,…);
- Bilingual entry of data generates additional mistakes;
- Problems with logins or logins of PPs, system was freezing down;
- IT service support not sufficient;
- The project budget is too detailed and bilingual entries are not necessary; dividing project to implementation period is excessive and very time consuming for the needs of project assessment
- Overall platform is ok.
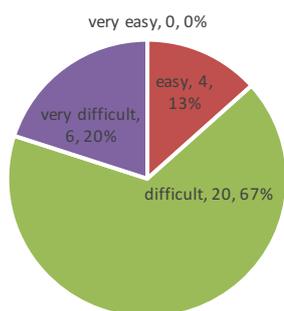


Chart 4: Use of eMS in project application phase
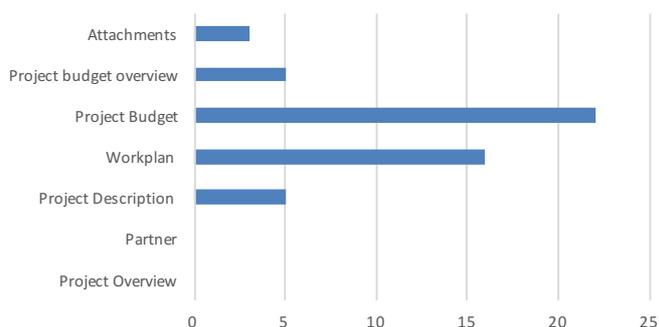
Chart 5: Parts of application that were most difficult to prepare

*Assessment of support to project development provided by programme bodies*

Respondents to the LP-survey assessed the support provided by the JS as very good or good in 68%, for a quarter of respondents the support was satisfactory and 7% assessed it as poor. The NA in Slovenia

was assessed similar as the JS, whereas the NA in Croatia has greater shares of those respondents who found the services satisfactory or poor.
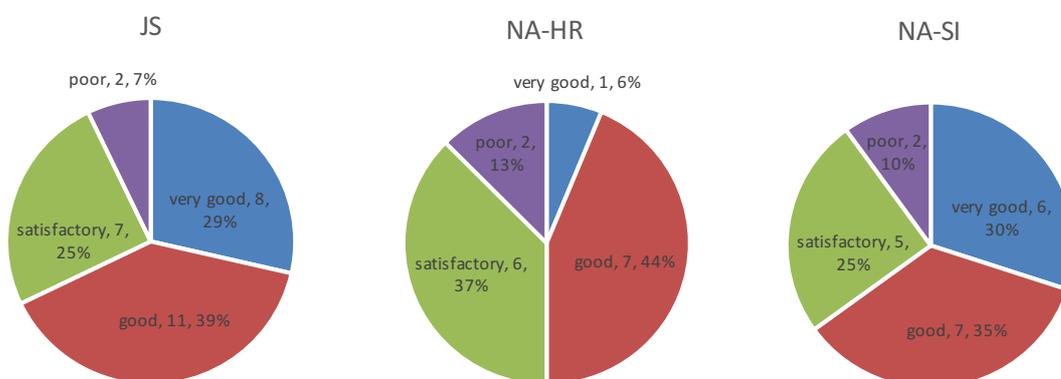


**Chart 6:** Assessment of the support provided by the programme bodies

## 2.2.2. Receipt of applications, assessment and selection procedure

*Submission of applications to the 1$^{st}$ deadline*

The purpose of the open call is to allow applicants continuous submission of applications. In the 1$^{st}$ round, 82% of all applications were submitted on the final day, 16% a day before the deadline and only 2% of applications were ready and submitted 2 days before the deadline.
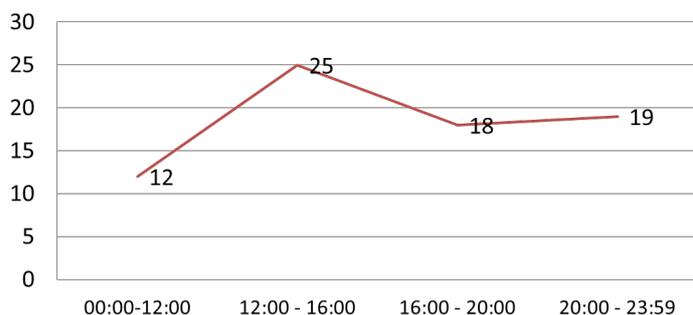


Chart 6, which was prepared by the JS, shows that applicants practically worked until the last minute. Half of applications were submitted on the day of the deadline after 4 p.m. and a quarter between 8 p.m. and the final hour of receipt.

Chart 7: Receipt of applications on the day of 1$^{st}$ deadline

*Overview of received and approved projects*

High interest for the programme recognised at workshops was also confirmed in a high number of received applications, 203 in total, of which 91 in the 1$^{st}$ (including one empty) and 112 in the 2$^{nd}$ deadline. The highest interest was for the PA2 – IP 6c with 68% of all received applications, followed by PA3 with 22%, while PA2- IP 6d was addressed by 8% of applicants. The total number of projects to be implemented under PA2-6c increased significantly, while the projects approved under PA2 are still very low compared to received applications.

**Table 2:** Received and approved projects under 1$^{st}$ and 2$^{nd}$ deadline for submission per Priority Axes

| Applications 1$^{st}$ deadline | PA2 - IP 6c | PA2 - IP6d | PA3 - IP11 | Total |
|---|---|---|---|---|
| Submitted applications, % of received to both PAs under 1$^{st}$ deadline | 63 (69%) | 7 (8%) | 21 (23%) | 91 (100%) |
| Administratively compliant &eligible applications, % of received under IP | 16 (25%) | 1 (14%) | 9 (42%) | 26 (29%) |

| | PA2 - IP 6c | PA2 - IP6d | PA3 - IP11 | Total |
|---|---|---|---|---|
| Approved projects compared to submitted under PA-IP | 3 (4.7%) | 0 (0%) | 2 (9.5%) | 5 (5.5%) |
| **Applications 2nd deadline** | **PA2 - IP 6c** | **PA2 - IP6d** | **PA3 - IP11** | **Total** |
| Submitted applications, % of received to both PAs under 2nd deadline | 76 (68%) | 10 (8%) | 25 (22%) | 112 (100%) |
| Administratively compliant &eligible applications, % of received under IP | 45 (59%) | 7 (70%) | 15 (60%) | 67 (60%) |
| Approved projects compared to submitted under PA-IP | 9 (12%) | 2 (20%) | 1 (4%) | 12 (11%) |

Source: JS/MA, programme website

*Administrative and eligibility check (AB check)*

The intention of the MA in all cooperation programmes managed by Slovenia (SI-AT, SI-HR, SI-HU) was to increase the efficiency of the assessment and selection procedure and to keep up with the planned dynamics to announce two deadlines for receipt of applications per year.

Experience from the previous programme period shows that significant share of applicants had to be asked for clarifications or missing documents under AB check. Now, more responsibility was put to project partners also with regard to securing sufficient financial and operational capacity and proper management of investments. Investment documentation is not examined anymore within the AB check. PPs declare and confirm compliance of the project with the programme rules and requirements by signing of the Project Partner statement. In case the statement is at later stages found false, PPs can face prosecution by the penal code.

The AB check in the 1st round resulted in 71% of rejected applications. The JS analysed that main reasons for rejection were formal mistakes (data not completely filled in or not compiled in the required language, inconsistencies between different parts of the application were found, data in annexes not completed or attached, etc.). 18 projects submitted to the 1st deadline made 1 formal mistake. There were also eligibility issues: not all PPs were eligible to participate in the programme, min. and max. budget requirements were not respected, preparation costs were above 2% of the total budget of the LP, etc.

Applicants in the 2nd round were more successful and the rate of applications that passed AB check increased to 60%, however the share of administratively incompliant applications was still quite high.

The MC decided on its 4th meeting in May 2017 that from 3rd round on, the applicants with 1 formal mistake in criterion A.4 referring to check of language requirements will be asked by means of the eMS e-mail to provide supplements within five days.

For the JS, the AB check was perceived challenging especially with regard to checking of the formal compliance. Sometimes the differences between the languages were difficult to spot at first sight and additional attention was needed as space in the application form is made for 3 languages due to the layout which is prepared also for strategic projects, which are prepared in English.

*Quality assessment*

The assessment procedures and criteria are published in the Part 3 of the Implementation manual for beneficiaries. The surveyed LPs self-assessed to what extent they were familiar with those:

- 57% of the respondents were fully and 30% partly acquainted with the assessment and selection procedure, 13% were not

- 60% checked quality criteria when preparing the application, 33% got familiar with the criteria and 7% not.

The **criteria for quality assessment** were designed on the basis of HIT tools. The programme has in accordance with increased result orientation attributed the highest importance to strategic aspects of the project assessment.

Table 3: Quality assessment criteria and their importance in the total score

| Set of criteria | Sub-criteria and max. points | Max. points | % of total score |
|---|---|---|---|
| Strategic assessment | Relevance and strategy (C1- C2), max. 9 points<br><br>Project's contributions to the programme's objectives, expected results and outputs (C3-C8), max. 27 points<br><br>Horizontal principles (C9), max. 3 points (1 for each principle) | 39 | PA2: 44%<br><br>PA3: 41% |
| Specific leading principles for PA | 6c: 4 guiding principles, (C10-C13), max. 12 points<br><br>6d: 3 guiding principles, (C14 –C16), max. 12 points<br><br>11b: 6 guiding principles, (C17-C22), max. 18 points | PA2: 12<br><br>PA3: 18 | PA2: 13%<br><br>PA3: 19% |
| Cooperation | Cooperation character and cooperation approach (C23-C26), max. 17 points | 17 | PA2: 19%<br><br>PA3: 18% |
| Operational assessment | Management (C27), max. 3 points<br><br>Work plan (C28-C30), max. 12 points<br><br>Budget (C31), max. 6 points | 21 | PA2: 24%<br><br>PA3: 22% |
| Total PA 2 | | 89 | 100% |
| Total PA 3 | | 95 | 100% |

Source: Implementation manual for beneficiaries, own analysis

**Quality assessment** of applications is performed by 4 assessors of the JS (2 from Slovenia and 2 from Croatia) who are not involved in the project development support. The assessors have been recently engaged and had little experience with the previous programme. In the view of the MA/JS, the use of internal assessors proved much better compared to engagement of external assessors in the previous programme period. The JS observed that internal assessors have better knowledge of the programme, are impartial and more committed, justifications of given scores are well argued and concrete.

The timeframe for assessment was a challenge as the assessors cannot devote their time exclusively to assessment as they need to work on other tasks at the same time.

Each application is assessed independently by two assessors. The final score is calculated as average of the two assessments. Assessors' comments are summarized in a grid, which is presented to the MC. As observed by the JS, differences between individual scores of assessors were not big and were in most cases up to 5 points.

Table 4: Quality assessment of applications

| Applications 1st deadline | PA2 6c | PA2 6d | PA3 | Total, % of all assessments |
|---|---|---|---|---|
| Number of applications scored 70% and more (73+ points PA2) | 3 | 0 | 2 | 5 (19%) |
| Number of applications scored between 63-72 points (PA2) | 7 | 0 | 2 | 9 (35%) |
| Number of applications scored less than 70% (less than 63 points) | 6 | 1 | 5 | 12 (46%) |

| Applications 2nd deadline | PA2 6c | PA2 6d | PA3 | Total, % of all assessments |
|---|---|---|---|---|
| Number of applications scored 70% and more (73+ points PA2) | 9 | 2 | 1 | 12 (19%) |
| Number of applications scored between 63-72 points (PA2) | 12 | 1 | 4 | 17 (26%) |
| Number of applications scored less than 70% (less than 63 points) | 22 | 4 | 10 | 36 (55%) |

Source: JS, own analysis

Assessors attended a training organised by the MA for three programmes (SI-AT, SI-HR, SI-HU). The team was additionally harmonized internally. Most challenges in assessment were related to the IP 6d. The assessor has a possibility to consult with experts in accordance with provision of the MC.

In terms of quality, both deadlines show that close to one fifth of the assessed projects could be recommended for approval. The share of projects recommended under conditions has decreased in the 2nd round, while the share of those not reaching the threshold increased.

The JS observed that applications which were prepared with the support of external consultants seemed to be of higher quality. Overall, the partnerships are similar to those in the previous period, some continued cooperation by upgrading the projects implemented in the 2007-2013 period.

*MC decision on projects proposals*

The MC discusses projects assessed by the JS. Projects are clustered in 3 groups (recommended for approval, recommended for postponement and recommended for rejection).

The MC procedure on selection of projects has a new step compared to the previous period – there is a possibility to postpone a project that has prospects to be approved if certain conditions are met. Support of the JS and NAs regarding improvements is available. In technical aspects, the applicants can work on the same application in the eMS what is considered user friendly compared to the projects that fail AB check and have to enter the entire project once again.

6 out of 9 postponed projects in the 1st round were assessed in the 2nd one, of which four were approved and two further postponed. The number of postponed projects increased to 17 in the 2nd round.

*Face to face meetings with applicants*

Face to face meetings between the LPs of approved projects and project managers (assessors) of the JS are organised to clarify any open issues, e.g. methodologies for the monitoring of project/programme output indicators, target groups, adjustment of the timeline for implementation. The JS noticed at those meetings that some partnerships needed more time to get organised and kick-off what caused minor delays compared to the initial plans. One of the reasons is that some project partners have in the mean time also applied for and become engaged in projects supported by other funds. They had to organise sufficient resources to work effectively on all projects they comitted to.

Applicants whose projects were rejected or postponed, have the possibility to clarify the project weaknesses. Reasons for the project postponement or rejection can be clarified with the head of the JS, whereas the NAs can support the applicants in further content related questions.

*Respondents' comment about the assessment and selection process*

- Assessments should be completed in 3-4 months from the submission of applications;
- Administrative checks are too detailed and take too much time; procedure should be changed to focus more on quality aspects (expression of interest should be used);
- Projects should not be rejected for administrative mistakes; this leads to difficulties in finding project partners as now many prefer to cooperate in transnational projects instead;

- Transparency of decisions should be improved – decision letters should include qualitative information about the assessment.

## 2.2.3. Timeline for processing of applications

14 out of 30 LP-survey respondents (47 %) found the duration of assessment procedure as expected and 43 % longer than expected, and for 10 % the procedure was shorter than expected.

The time from the receipt of application to signature of the subsidy contract was 7 months in the 1st and 7,5 months in the 2$^{nd}$ deadline. Between the two rounds there is a substantial difference in the number of applications assessed for quality and the time used for the assessment. In the 2$^{nd}$ round the quality assessment procedure was more efficient. The procedure from the submission of applications to the MC decision was done in 20 weeks in the 1$^{st}$ round. The 2$^{nd}$ round, in which 2,6 times more quality assessments were made, took 25 weeks. Considering that the JS staff could not allocate all working hours for the assessment only, the effective time needed for the assessment was actuallly shorter.

The time from the MC decision to the signiture of subisdy contracts varies between projects. It depends on the conditions to be fulfilled by applicants, the readiness of project partners to start with the implementation, and similar.

Table 5: Timeline for processing of applications

| Steps | 1$^{st}$ deadline Start date - end date | 2$^{nd}$ deadline Start date - end date |
|---|---|---|
| 0. Publication of the Open call / announcement of the deadline | 15/01/2016 - | 24/05/2016 (website) |
| 1. Informative workshops for applicants | 17/02/2016 (Rogaška Slatina, SI) | 11/10/2016 (Črnomelj,SI) |
|  | 22/02/2016 (Opatija, HR) | 10/10/2016 (Tuhelj, HR) |
|  |  | 17/10/2016 (Samobor, HR) |
| 2. Receipt of applications in eMS | 11/03/2016 at 23:59:59 | 14/11/2016 at 12:00 |
| 3. Administrative & eligibility check (AB Check) | 14/03/2016 – 15/04/2016 (91 applications, 24 workdays) | 14/11/2016 – 05/01/2017 (112 applications, 37 workdays) |
| 4. Quality check of applications | 16/04/2016 – 01/07/2016 (26 applications x 2 assessments, 54 days) | 06/01/2017 – 07/04/2017 (67 applications x 2 assessments, 65 workdays) |
| 5. State aid check/opinion for projects | 06/07/2016 – 01/08/2016 | 10/04/2017 – 24/04/2017 |
| 6. MC meeting – decision on projects | 30/08/2016 – 31/082016 (20 weeks from submission to MC decision) | 09/05/2016 – 10/05/2017 (app. 25 weeks from submission to MC decision) |
| 7. Preparation and sending out decision letters | 01/09/2016 – 09/09/2016 | 11/05/2017 – 26/05/2017 |
| 8. Face-to-face meetings with beneficiaries/ Preparation of ERDF contracts | 19/09/2016 – 07/10/2016 | 29/05/2017 – 23/06/2017 |
| 9. Signing of ERDF contracts | 14/10/2016 | 4/07/2017 |
| 10. Duration from submission of application to signing of the Subsidy contracts | app. 7 months | app. 7,5 months |

Source: JS/MA, programme website

## 2.3. Overview of approved projects

### 2.3.1. List of approved projects

One strategic project was approved in PA1 (direct approval).

5 projects were approved in the 1$^{st}$ deadline of the open call, of which 3 address the PA2-6c and 2 projects the PA3. In the 2$^{nd}$ deadline, 9 projects were approved under the PA2-6c, 2 under the PA2-6d and 1 project under the PA3.

**Table 6:** List of approved projects per PAs and specific objectives

| Project acronym | PPs/associated partners | Main topics addressed & key outputs |
|---|---|---|
| FRISCO 1 | 8 | Coordinated flood risk management (joint models, maps and tools for each of the six target transboundary river basins (Kupa/Kolpa, Sutla/Sotla, Drava, Mura, Dragonja and Bregana) with the associated design documentation for optimal structural measures, improved physical alert systems, and the outputs of awareness rising/capacity building activities) |
| Mala barka 2 | 8 | Protection, promotion, valorisation of maritime cultural heritage through sustainable tourism (interpretation centres, centres of excellence (platform of experts), new joint destination Mala barka, joint tourism itineraries, network of promotion centres, promotion campaign) |
| DETOX | 9* | Sustainable tourism products of rural areas (6 revitalised cultural monuments, 2 joint CB-tourist product, workshops and events, portal, mobile applications) |
| ENJOYHERITAGE | 9* | Interpretation of natural and cultural heritage for the young and families (interpretation products, visitor centre, small scale investments, training activities) |
| DEMENCA | 7* | Optimization of social care services for people with dementia (CB institutional cooperation structures, capacity building for service providers, recommendations and guidelines, piloted optimisation of services). |
| STAR | 7* | Ageing of the population and setting up of different forms of deinstitutionalized long-term care services for the elderly (CB programme of deinstitutionalised long-term care, capacity building for social workers, setting up of 2 day-care centres) |
| Riviera4Seasons2 | 6 | Active preservation of cultural and natural heritage by promoting sustainable green tourism. The project builds on the result of the '365 Days of Riviera' supported in 2007-2013. Developing potentials for green sustainable tourism in the countryside, capacity building, destination marketing. |
| CLAUSTRA+ | 9 | Development of a tourism product CLAUSTRA on the remains of the ClaustraAlpiumIuliarum, a late Roman defence system spanning from Rijeka to the Posočje area.  Key activities included concept development, promotion, management and active conservation and presentation of archaeological remains. |
| KRASn'KRŠ | 7 | Preservation of the natural and cultural heritage of the karst landscape into a sustainable tourist destination including typical landscapes: lowland contact, Alpine and maritime karst. Adjustment of offers to the needs of modern visitors and integration of small fragmented offers and promotion of less know hot spots. Development of four interpretation centres. |
| ECooL-Tour | 16* | Enhancement of sustainable tourism, entrepreneurship and economic cooperation by improving the capacities of local stakeholders and development of a new joint trans boundary tourist offer, which will comprise 17 new services related to the preservation of heritage. |

| Project acronym | PPs/associated partners | Main topics addressed & key outputs |
|---|---|---|
| Uživam tradicijo | 14* | Establishment of a culinary trail from Pannonia to Adriatic, offering visitors a unique experience of local traditions, customs, cuisine by organising attractive programmes based on sustainable co-operation of local providers in several unique areas. |
| Prebujanje/Буђење | 6* | Diversification, improvement and strengthening of the competitiveness of existing cultural tourism content in the region. Development of CBC tourism product based on the valorisation of archaeological sites in Goričan and Šentilj and establishment of regional tourist centres. |
| ZELENO ŽELIMO | 11* | Development of new touristic offers based on inclusion of heritage in connection with rural products into new touristic experience. Four microproducts will be developed, supported by investments into infrastructure. |
| ŽIVA COPRNIJA | 16* | The project addresses the potential of the hinterland of the Maribor-Pohorje and of the Istria as recognised tourist destinations. Development of a integrated cross-border culture and tourism product called Living Magic–the Tales of Pohorje and Istria and a supportive environment for the development and creation of new jobs. |
| MISTERION | 8* | The project connects the unique natural and geological and archaeological features of the area of Bela Krajina and Kamenje, which have so far not been presented to wider audience, such as Kuščerjeva Kongeria, the only living underground mussel in the world. |
| LIKE | 12* | The project addresses challenges of the the karst edge area, whose natural resources are under increasing pressure of visitors including sports and recreation. It aims at establishing an effective management and monitoring mechanism of the Natura2000 areas to reduce pressures on biodiversity and ensuring prerequisites for formal protection. |
| ČIGRA | 6 | The project intends to maintain a stable population of terns on gravel habitats along the Sava and Drava rivers and to improve its conservation status in Natura 2000 sites. By applying appropriate habitat management gravel islands which host tern colonies will be preserved and thus  its long-term suitability for nesting of terns will be ensured. |
| +Health | 12* | The project addresses the quality and accessibility of health care services in CB area by strengthening partnerships of public bodies and stakeholders through common development of CB procedures and certification of institutions and operation of a CB-centre of excellence and health destination. |

Source: website, project applications / * includes associated partners who do not get reimbursed from ERDF funds

## 2.3.2. Geographical distribution of the approved projects

Six approved projects are implemented by 41 PPs and 7 Associated Partners. While Croatian PPs are relatively well dispersed across cooperating region, the Slovenian PPs are so far concentrated in only 3 of 9 programme regions.

**Table 7:** Location of PPs by NUTS 3 areas (projects approved under 1st deadline and direct approval)

| Slovenia | | Croatia | |
|---|---|---|---|
| NUTS 3 region | No. of project partners (LP/PP) | Nuts 3 regions | No. of project partners (LP/PP) |
| Pomurska regija | | Primorsko-goranska županija | 5 |
| Podravska regija | 6 | Istarska županija | 4 |

| Savinjska regija | | Grad Zagreb | 4 |
|---|---|---|---|
| Zasavska regija | | Zagrebčka županija | 1 |
| Posavska regija | | Krapinsko-zagorska županija | 1 |
| Regija Jugovzhodna Slovenija | | Varaždinska županija | 3 |
| Osrednjeslovenska regija | 8 | Međimurska županija | |
| Primorsko-notranjska regija | | Karlovačka županija | 1 |
| Obalno-kraška regija | 8 | | |
| **Total partners** | **22** | | **19** |

Source: application forms

## 2.4. Selected financial data

*Commitment of ERDF Funds*

18.7% of total ERDF funds available for the implementation under PA1, PA2 and PA3 were committed by the programme under direct approval and 1st deadline of the open call. Funds for the Technical Assistance were committed in full at the start of the programme implementation. Under the 2nd deadline further 26.6% of funds were committed within the PA2 and PA3. By 10 May 2017, 48.9% of all programme funds were committed and no payments made out of the programme yet.

Table 8: Committed ERDF funds per Priority Axes

| | 1st deadline | 2nd deadline | Programme funds (CP) | Share of ERDF funds committed in % | | |
|---|---|---|---|---|---|---|
| | ERDF | | ERDF | 1st deadline | 2nd deadline | 1st + 2nd d. |
| PA1 (5b) | 3,460,307.50* | - | 10,026,557 | 34.5% | | 34.5% |
| PA2 (6c) | 3,650,280.35 | 8,975,295.11 | 28,074,358 | 13.0% | 38.3% | 51.3% |
| PA2 (6d) | 0.00 | 1,778,102.66 | | | | |
| PA3 (11) | 955,949.40 | 731,629.42 | 5,013,278 | 19.1% | 14.6% | 33.7% |
| Subtotal | 8,066,537.25 | 11,485,027.19 | 43,114,193 | 18.7% | 26.6% | 45.3% |
| TA | 3,000,000 | - | 3,000,000 | | | 100% |
| Total | | | 46,114,193 | | | 48.9% |

* project approved under direct approval procedure / Source: CP SI-HR 2014-2020, MA/JS data.

*Average size of project budgets*

The open call defined minimum and maximum requested ERDF funds (max. 85% of total project cost) for each PA:

- PA2: min. 100,000 Euro and max. 2,500,000 Euro and
- PA3: min. 100,000 Euro and max. 1,000,000 Euro.

Average project budgets show that requested ERDF funds were bellow the max. possible value, reaching in total 41% under PA2 and 56% under PA3.

Table 9: Overview of average project size in Euro

| Priority Axis | No. of projects | No. of PPs | Average total project costs in Euro | Average ERDF budget per project in Euro | Average ERDF budget per PP in Euro |
|---|---|---|---|---|---|
| PA 1 – 5b | 1 | 8 | 4,070,949.98 | 3,460,307.50 | 432,538.44 |
| PA 2 – 6c | 12 | 78 | 1,237,801.53 | 1,052,131.29 | 161,866.35 |
| PA 2 – 6d | 2 | 14 | 1,053,777.35 | 889,051.33 | 127,007.33 |
| PA 3 – 11 | 3 | 19 | 661,795.62 | 562,526.27 | 88,819.94 |
| Total | 18 | 119 | 1,278,750.55 | 1,086,198.02 | 164,298.86 |

Source: JS, own calculations

The programme introduced **simplified cost options** to reduce administrative burden for beneficiaries:

- Flat rate of 20 % of direct costs other than staff costs/ 10% for projects including infrastructure and works
- Office and administrative expenditure shall be reimbursed by the programme according to a flat rate of 15 % of eligible direct staff costs (budget line staff costs), no documenting required.

Use of simplified cost options in projects approved in the 1$^{st}$ deadline:

- 30 out of 41 PPs (73%) planned office and administrative costs, which are calculated on a 15% flat rate basis, 8 PPs in 1 projects did not plan any costs in this category, 3 PPs in strategic project do not use flat rate for calculation of these costs;
- 20% flat rate/10% for staff costs option was used by 9 PPs (22%) in 3 different projects.

## 2.5. Implementation and financial controls

10 LP-survey respondents self-assessed the progress in implementation of projects:

- 2 (20%) implement according to plan
- 2 (20%) faced minor delays
- 1 (10%) faced major delays
- 5 (50%) are in the initial phase of implementation.

The JS received many questions from PPs at the start of implementation; requests for project changes have already been received in the first 6 months of implementation.

*Feedback on FLC checks*

**FLC in Croatia** is organised within the Agency for regional development for all programmes. The FLC department is organised within the Directorate for FLC, Service for CBC programmes. At present there are 2 FTE assigned to the SI-HR programme, with the objective of increasing the staff to 4 FTE when the number of projects increases. The controllers are paid from the Technical Assistance funds. There is also a possibility to assign controllers from other programmes to support controls in case of increased work.

National eligibility guidelines were issued along with the programme guidelines and are published on the programme website. FLC controllers participate in the workshops for beneficiaries, which were well attended.  FLC staff is also available to beneficiaries over phone or e-mail to inform and advice on general questions regarding the eligibility of expenditure. This type of support has been to a large extent used by the beneficiaries especially when the PPs start with the implementation.

According to the FLC, at present the controls are being implemented without significant problems and within deadlines. As of 8 June 2017, all partner progress reports for the six approved projects were submitted; the reports for the strategic project have already been checked and certified, while the rest

of the partner progress reports were being checked, for the 3 projects controls were in the final stage, and 2 in progress.

First results of the FLC checks show that the share of ineligible costs is not significant; mainly errors in calculation of costs have been identified (e.g. use of different exchange rate). Few progress reports were reverted so that beneficiaries were able to correct mistakes (e.g. in cases where the beneficiary has failed in calculating staff costs). In one case a conflict of interest has been identified. FLC has access to court registers where e.g. the ownerships and potential conflicts of interests in procurement procedures can be checked.

By observation of the controllers, project partners who cooperated for the 1$^{st}$ time in a CBC programme, usually face more challenges in preparation of reports and its quality was lower compared to more experienced project partners.

First progress reports have so far included mainly staff expenditure, while the expenditure for external services, supplies and works were claimed in minor shares. Project partners use variety of methods for calculation of the staff costs.

**FLC in Slovenia** is organised centrally for all Cross-border, transnational, and international programmes.

One common national manual on eligible expenditure was prepared. It highlights national requirements and relates to specific programme level manuals.

According to the Head of FLC, there is a high level of harmonisation of the controllers' work between the CBC programmes managed by Slovenia (with Austria, Croatia, Hungary). Check lists were designed on the basis of HIT tools, minor differences exist between the CBC programmes, however not significant, they mainly relate to specific programme contents.

The work flows and procedures of the FLC changed in order to avoid key problems, which occurred in the period 2007-2013 both under the CBC and transnational programmes. All financial controllers now work on all programmes. Fir each programme, a programme manager and a substitute is assigned. Two measures were undertaken to speed up the FLC checks:

- Project partner reports with expenditure bellow 10,000 Euro are not checked. Expenditure incurred in the reporting period has to be claimed in one of the following reports. However, if such reports have been submitted, they have been briefly pre-checked and basic findings communicated to the PP via eMS in order to take them into consideration when preparing the following report.
- The FLC issues the certificate for expenditure found eligible in a current check without the need for additional clarifications or supplements. For the expenditure that cannot be certified due to missing evidence/documentation, the PP receives a list of requests for supplements or corrections, while the expenditure can be claimed in one of the following reports.

A positive aspect is that the LP can receive certificates from Slovenian PPs quicker. The weakness is that a share of certified expenditure is lower when the submitted documentation is incomplete. FLC sees a room for improvement of the quality of reports, what would lead to higher % of expenditure certified during the initial check.

First PP progress reports have so far been checked and certificates issued with no delays. On average the procedure was completed in 1-2 weeks from the receipt of the report. As of 2 June 2017, 65% of the presented expenditure could be certified (a large portion of uncertified expenditure goes to one project only).

Only a few Slovenian PPs decided to claim staff costs on the basis of flat rate.

Overall observation of the Head of FLC is that a great share of PPs already cooperated in CBC projects in the previous period. Although there is a certain level of experience and knowledge, the level of repeated mistakes is still high.

It was also mentioned that programmes adopted a 6-month reporting and that reporting periods are being mostly aligned with the calendar year. This means that most PP reports under ETC programmes are submitted to the FLC in almost identical periods of time. Where possible, the MA/JS of the CP SI-HR has already tried to make adjustments of the reporting periods.

## 2.6. Use of e-MS

*Joint Secretariat*

The JS has so far been mainly involved in solving deficiencies in operation of the eMS for applicants. The capacities of the IT manager assigned to the programme (1/6 of FTE) were not sufficient. Some corrections had to be done by Interact programme, what was taking app. 3-4 months.  So far the JS has not yet used the system for analytical purposes.

*National Authorities*

Access to application forms during the assessment phase was too limited in the view of the Slovenian NA. Applications are accessible in eMS for the State Aid check and then opened again when materials for MC become available. If there are many projects to be discussed at the MC meeting, the time for preparation is not sufficient. Pdf formats of the application forms are not useable (poor layout, sometimes data in the system does not appear on pdf).

Using the eMS is not perceived difficult. However, its advantages have not yet been explored sufficiently. There is room for optimization.

*FLC units*

By experience of the Croatian FLC, the eMS has been operating well, minor issues were detected in relation to import of exchange rates and were solved. The communication with the JS in addressing of the issues was very good and effective.

The controllers observed one deficiency of the eMS. A project partner has by mistake submitted unfinished progress report, which was reverted by the FLC for the beneficiary to finalise it. However, the eMS registered date of the submission of the report on the day of the first unwanted submission, which was also the starting date for the 90-day deadline for finalization of the FLC work.

According to FLC Slovenia, the eMS has not been found very user-friendly; daily contact with the IT support was taking place. Main weakness is its slow operation, which is linked to the technical characteristics of the IT systems used by the government and not to eMS as such. There were issues related to saving of the performed checks that resulted in repeating of the working steps. It is thus not uncommon that controllers still use print outs and do checks on paper, take notes,… Working with long files of data requires a lot of scrolling up and down, many clicks are necessary to get into the system.

## 2.7. Communication activities

The MC adopted the Communication strategy of the programme on its first meeting on 30/11-01/12 2015. The Strategy defines communication objectives, key messages and target groups, communication tools and activities.
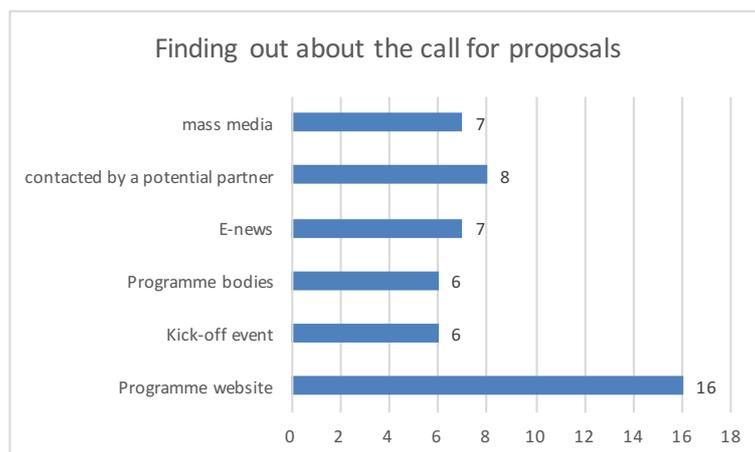
Chart 8: Most common communication channels used by LPs

In line with the communication strategy, the programme website is the main communication tool for communicating with the (potential) beneficiaries, general public, programme partners/expert public and the media. It operates in 3 languages (English, Croatian, and Slovenian).

53% of the LP-survey respondents used the website to find out about funding opportunities; whereas other communication channels such as kick-off event, partners, media were used to a far lesser extent (app. 20%-23%).

The focus of the recent communication activities was on promotion of the funding opportunities and information for potential applicants to prepare project proposals.

The website provides information about the programme structures and their contacts, programme documents and open call documentation necessary for the applicants, decisions taken by the Monitoring Committee, guidelines and information for the project beneficiaries. News related to the programme implementation, events, workshops and project news are also published on the website. An interactive map was developed, which shows the location of projects and PPs.

In 2016, around 229,000 visits to the website were made, of which 24,434 unique ones.

All LPs who took part in the survey, follow the programme website and most found it appropriate in all listed aspects. The highest rates were given to accessibility of the information, while most room for improvement relates to the usefulness of information.

59% of the respondents are subscribed to an e-newsletter; of those 59% read each issue and 41% most of issues. In 2016, 26 e-news were sent to 386 subscribers.
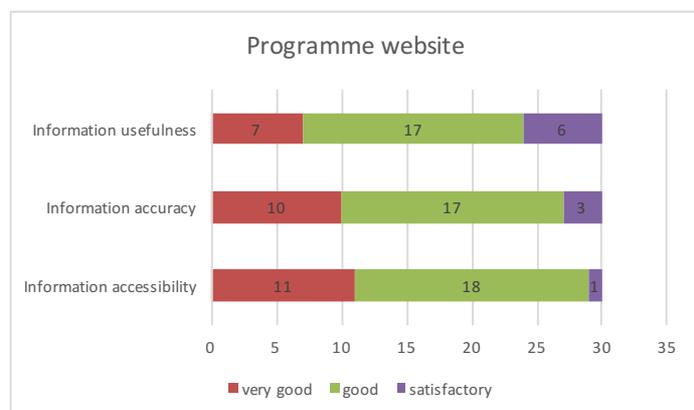


Chart 9: Assessment of the programme website

800 copies of the programme brochure and 100 copies of the Cooperation Programme document were published in 2016.

Besides 5 workshops for applicants and beneficiaries attended by around 550 participants, 3 promotional events were organized: a kick – off event, one major event which promoted funding opportunities and presented the achievements of the CP was organised together with the final conference of the OP Slovenia-Croatia 2007-2013 on 29 November 2016 and a ceremonial opening of the JS branch office in Buzet was organised on 2 December 2016. These 3 events attracted 350 visitors.

# 3. Evaluation

- Evaluation question: How effective and efficient are the programme structures?

The assessment focused primarily on the programme bodies involved in the processing of the open call.

The following judgement criteria were used for assessment:

- Human resources are sufficient to implement the programme;
- Procedures and work processes are established and followed;
- Programme bodies cooperate in effective way.

**The programme bodies operate effectively within the framework established for the programme implementation.**

Personnel of the MA, JS, NAs and FLC is appointed. In terms of the current needs, the personnel seem sufficient apart from IT manager whose resources allocated to the programme could have been increased. Needs for support with regard to performance of eMS were substantial in particular at the beginning of the application processes.

Most of the JS personnel is new, however able to take on the job effectively with the support of the Head of JS who has experience from the previous programme. Separation of functions between the project support and project assessment within the staff of the JS is secured and respected. The MA and National Authorities are well experienced and can provide sound support to applicants.

The work of the Monitoring Committee was not analysed. However, the MC meetings seem to be effective. Both countries organise preparatory meetings at national level, which is a good practice.

Programme procedures related to the application, assessment and selection of projects and procedures regarding reporting and financial controls are set and respected. The overall cooperation between the programme bodies seems effective. In terms of support to applicants, the communication between NAs and JS was well established.

The efficiency of these structures is closely linked with established procedures and processes, which are assessed in the following evaluation question.

- Evaluation question: How efficient and effective are the programme procedures and processes?

Judgment criteria used in the assessment:

- The programme bodies (MA/JS, NAs) provide relevant support to project applicants in the application phase;
- The programme procedures regarding the application, assessment and selection are user friendly to applicants;
- The quality criteria allow for selection of programme relevant and feasible to implement cross-border projects;
- The programme procedures related to programme assessment and selection are implemented efficiently;
- The FLC control checks are efficient and effective;
- The eMS allows for efficient and effective work for the users.

*Application, assessment and selection process*

**The support in project development was well accessible to applicants. The beneficiaries assessed the quality of received services relatively good. Based on the range and quality of received applications, further needs for support exist.**

The user friendliness of the application form and of the assessment and selection procedure is much reduced compared to the previous programme in particular due to a very strict AB check and rather complex financial part of the application form. On the other hand, the postponement of projects is considered more user friendly as it gives the project partnerships a second chance.

Quality criteria observe relevant elements in assessment of projects, whereas in the overall structure the weight given to operational aspects is rather suppressed compared to strategic related ones.

The procedures in place were implemented fairly effectively. At the overall programme level, it is early to assess the efficiency of the assessment and selection procedures as outcomes of one deadline affect the following one in terms of the workload and time for the applicants, the JS and NAs.

*Project development tools and support*

The overall support provided to applicants was appropriate. The MA/JS and NAs followed up identified weaknesses and within possibilities offered additional support (e.g. additional workshop for applicants under 6-d, improvements of eMS).

The project **application pack** published on the programme website comprises relevant information needed to develop a project proposal and submit an application. The Implementation manual for beneficiaries is well structured into key contents/phases and offers sound guidance to applicants and beneficiaries, which was also reflected in the LP-survey feedbacks. The **Application Form** is based on HIT tools. Harmonisation has brought more complexity into planning with introduction of 'deliverables' and requirements for a very detailed presentation of the project costs, what was also time consuming.

The LP-survey and the feedback of the JS/NAs revealed further needs of support to applicants: improving the competence for establishing a proper intervention logic aligned with the one of the programme, understanding methodologies for more complex indicators, especially under 6c and 6d, understanding the State Aid.

*Project assessment procedure*

The **AB check** procedure was simplified compared to the 2007-2013 period and a greater responsibility for management of investments and provision of financial and organisational capacities was given to applicants. Difficulties in working with the eMS and exclusion of the possibilities to deal with formal mistakes was a step away from user friendly procedures for applicants. MC has slightly alleviated the procedure for applicants from 3rd deadline onwards.

Rejections for formal reasons however increased the workload at the overall programme level. Applicants who reapply with the same project to the one of the following deadlines have to insert the project once more in the eMS and the JS has to perform the checks once again in full. This gives space for generation of further formal mistakes and failing the AB check can further demotivate the applicants.

Thus, only a high level of administrative quality of submitted applications can positively affect overall efficiency at programme level.

**Quality assessment** showed that assessors harmonised the approach to assessment very well, what was reflected in relatively small differences in majority of assessments as estimated by the JS. Results of the assessment indicate that the quality of projects in general is quite low; approximately half of the assessed projects did not reach the threshold.

The **criteria for quality assessment** in general cover relevant aspects that are usually considered in assessment of applications. Some of the specific guidance for investment priorities are rather complex to understand, however well designed to steer the applicants towards developing projects that are most appreciated by the programme. Compared to other programmes, the assessment of contribution to wider strategies is not directly included in the chosen criteria, although the inputs are requested in the application form.

57% (PA2) and 60% (PA3) of max. score is given to the strategic and IP specific criteria what reflects the orientation of the programme towards the importance of selecting the projects which address the planned objectives and results of the cooperation programme. Although the assessment looks at relevant operational aspects, these seem rather supressed in the overall weighting. Especially the criterion C31 (financial plan), which includes several important judgment criteria in one, represents 6.7% (PA2) and 6.3%(PA3) in the overall score.

*MC decisions on projects*

The procedure of the MC has been effectively followed. The postponement of projects is considered a good approach for applicants, although they are subject to repetition of the entire procedure in the next round. The number of postponed projects has increased from 1st to 2nd round, which on the other hand also increases the work allocated to the same project. The effectiveness of this step in terms of a postponed project being finally approved, is to early to assess.

*Time needed for assessment and selection procedure*

Within the existing framework, where the resources of the JS to perform the AB check and quality assessment are fixed and limited and the application forms and assessment grids being rather complex, the procedure was implemented efficiently especially in the 2nd round. There seem to very little room for shortening the assessment steps and maintaining the quality of the procedure at the same time.

*FLC checks*

**The FLC checks have so far been performed efficiently with no delays.**

Approaches to the implementation of FLC checks differ between the two countries. Slovenian PPs are in less favourable position compared to the Croatian counterparts as regards the requests for supplement and checking of the reports with expenditures bellow 10,000 Euro.

Possible effects of the created 'sitting ducks' by the Slovenian FLC on the achievement of performance indicators are too early to assess. FLC check procedure can be considered more efficient with regard to time used for completion of a check (what was also the main intension of the FLC), however in terms of effectiveness at the overall programme level this will very much depend on the quality of received PP progress reports.

For the LPs the situation will still depend on the efficiency of both, the Croatian and Slovenian FLC units.

*eMS*

**The eMS has so far not yet performed optimally, especially with regard to the needs of applicants and partly of the FLC.**

It is expected that the increased use of the system will eventually contribute to recognising its benefits. At present there is much room for improvement of the eMS. An overall weakness is that many corrections or improvements still have to be made by the Interact services whose capacities also proved insufficient.

- Evaluation question: In how far was simplification and harmonisation achieved?

Judgement criteria used in assessment:

- The use of HIT tools contributes to harmonisation and simplification
- Simplified cost options contribute to simplification of the implementation

The programme uses HIT tools, which are incorporated in the eMS. In this respect it is likely that harmonisation with other programmes will be achieved. Harmonisation is to a great extent already achieved between the CBC programmes managed by the Slovenian MA. On the other hand, the harmonised application forms have become more complex for applicants to prepare.

The extent of actual simplification on the part of the simplified cost options is early to assess. The highest contribution is expected on the account of office and administrative costs, whereas the use of flat rate for staff costs will be more limited and with more potential under PA1 and PA2-6c, where substantial investment components are expected.

## Evaluation question: What is the progress of the programme towards achieving targets of specific objectives?

The programme is due to a relatively long programming period in a very early phase of implementation. The actual progress towards the achievement of targets of specific objectives cannot be assessed yet. The assessment was made on the basis of expected contributions of the approved projects to targets of the programme output indicators, what should be taken with some reserve.

Based on the expected project outcomes, the programme is likely to progress very well in all PAs except for some specific areas or types of cooperation that have so far not been addressed yet or addressed to a lesser extent. Most challenging to achieve seem targets related to the improvement of the conservation status of habitats in PA2-6d. Projects addressing the safety and connectivity in PA3 were not yet approved, while the progress in engaging SMEs in sustainable tourism development is also moderate.

Geographical distribution of the PPs is relatively balanced on the Croatian side and quite concentrated on the Slovene side with most PPs located in Osrednjeslovenska region (after 2nd deadline).

### PA1: Integrated flood risk management in transboundary river basins

**PA1 - Specific objective 1.1: Flood risk reduction in the transboundary Dragonja, Kolpa/Kupa, Sotla/Sutla, Drava, Mura and Bregana river basins**

34.5% of ERDF allocated to the PA1 were committed to the first strategic project, which deals with flood risk management in the areas designated by the CP. The project contribution to the programme indicators 5b-1 and 5b-3 is expected to fulfil the set targets. The second project, which is expected to contribute to the achievements measured by indicators CO20 and 5b-2, is still in preparation. Project development is monitored by the MC.

**Table 10:** PA1 - Expected contribution of approved projects to the programme output indicators

| ID | PA 1 - Output Indicator | Measurement unit | Target value (2023) | Expected contribution from approved projects | |
|---|---|---|---|---|---|
| | | | | value | % of target |
| CO20 | Population benefiting from flood protection measures | Persons | 1.500 | 0 | **0%** |
| 5b-1 | Transboundary river basins with joint tools, models and maps for flood risk management developed | Number | 6 | 6 | **100%** |
| 5b-2 | Transboundary river basins with pilot structural flood risk reduction measures implemented | Number | 4 | 0 | **0%** |
| 5b-3 | People with increased professional capacity due to their participation in cross-border activities in transboundary flood risk and river basin management | Number | 20 | 20 | **100%** |

Source: JS and own calculation

### PA2: Preservation and sustainable use of natural and cultural resources

51.3 % of ERDF allocation to PA2 is committed to 14 projects.

**PA2 - Specific objective 2.1: Active heritage preservation through sustainable tourism**

The projects addressing SO2.1 are most represented in the programme. Already the first 3 projects approved under the 1st deadline are expected to contribute substantially or even lead to exceeding the targets of the programme output indicators. Another 9 projects from the 2nd round will contribute further. The partnerships have so far to a large extent included small investments. It seems that prospects for the development of new or improved CB-tourist products are also good. Compared to the programmes SI-AT and SI-HU, the definition of a CB product is more precise in this programme.

Although it is not possible to predict the actual outcomes of the implementation, the indicator targets seem to have been underestimated with the exception of the CO01 and CO02. Considering the experience so far, the involvement of SMEs in project partnerships is likely to progress at a slower pace.

**Table 11:** PA2-6c - Expected contribution of approved projects to the programme output indicators

| ID | PA 2 - Output Indicator | Measurement unit | Target value (2023) | Expected contribution from approved projects | | | | | |
|----|------------------------|------------------|---------------------|-----|-----|-----|-----|-----|-----|
| | | | | 1st | % of target | 2nd | % of target | 1st + 2nd | % of target |
| CO09 | Increase in expected number of visits to supported sites of cultural or natural heritage and attractions | visits/year | 50.000 | 62.800 | 126% | 156000 | 312% | 218.800 | 438% |
| 6c-1 | Small scale investments in visitor infrastructure and preservation of cultural and natural heritage | Number | 15 | 17 | 113% | 40 | 267% | 57 | 380% |
| 6c-2 | New or improved cross-border sustainable tourism products and destinations integrating natural or cultural heritage | Number | 20 | 13 | 65% | 47 | 235% | 60 | 300% |
| 6c-3 | Persons participating in capacity building activities | Number | 500 | 600 | 120% | 2939 | 588% | 3.539 | 708% |
| CO01 | Number of enterprises receiving support | Enterprises | 7 | 0 | 0% | 3 | 43% | 3 | 43% |
| CO02 | Number of enterprises receiving grants | Enterprises | 7 | 0 | 0% | 3 | 43% | 3 | 43% |

Source: JS and own calculation

**Specific objective 2.2: Protecting and restoring biodiversity and promoting ecosystem services**

Compared to the SO 2.1, the pool of potential applicants with capacities to engage in projects addressing biodiversity and ecosystem services is smaller and the expected programme results on the other hand quite specific and targeted.

The progress in achievement of most targets looks promising despite that no project was approved in the 1st and that only two were approved in the 2nd round.

Considering the share of funds already committed in the PA2, the targets of the CO23 seem difficult to achieve. Questionable is also the achievement of the related key implementation step 6dKI set for 2018: 10,000 ha surface area of habitats planned to be supported with approved projects.

**Table 12:** PA2-6d - Expected contribution of approved projects to the programme output indicators

| ID | PA 2 - Output Indicator | Measurement unit | Target value (2023) | Expected contribution from approved projects | | | | | |
| | | | | 1st | % of target | 2nd | % of target | 1st + 2nd | % of target |
|---|---|---|---|---|---|---|---|---|---|
| CO23 | Surface area of habitats supported to attain a better conservation status | Hectares (ha) | 31.000 | 0 | 0% | 220,82 | 1% | 220,82 | 1% |
| 6d-1 | Implemented practical demonstrations of measures in nature in support of biodiversity | Number | 10 | 0 | 0% | 6 | 60% | 6 | 60% |
| 6d-2 | Joint studies and tools for assessing and promoting ecosystem services developed | Number | 3 | 0 | 0% | 12 | 400% | 12 | **400%** |
| 6d-3 | Persons with improved practical skills and competences for implementation of biodiversity protection measures and valorisation of ecosystem services | number | 250 | 0 | 0% | 290 | 116% | 290 | **116%** |

Source: JS, own calculation

## PA3: Healthy, safe and accessible border areas

**Specific objective 3.1: Building partnerships among public authorities and stakeholders for healthy, safe and accessible border areas**

33.7 % of the ERDF allocation to PA3 is committed to 3 approved projects, which are likely to exceed both output targets. This also indicates that targets were set in a modest manner.

In terms of sectors targeted, so far only cooperation initiatives in social and health areas were successful, whereas safety and connectivity/accessibility challenges remain unaddressed even after the 2nd round of project selection. What is notable is rather poor quality of applications (e.g. in the 2nd round two thirds of assessed projects did not reach the threshold).

The programme output indicators are selected well in terms of the PA objectives. Based on the contents of approved projects the outcomes are likely to go beyond what is being monitored with indicators. E.g. access to new products and services or improved quality of services for specific target groups is expected to be achieved, however not yet observed by the programme level monitoring.

**Table 13:** PA 3 - 11 Expected contribution of approved projects to the programme output indicators

| ID | PA 3 - Output Indicator | Measurement unit | Target value (2023) | Expected contribution from approved projects | | | | | |
| | | | | 1st | % of target | 2nd | % of target | 1st + 2nd | % of target |
|---|---|---|---|---|---|---|---|---|---|
| 11-1 | Institutions participating in cross-border structures | Number | 45 | 20 | 44% | 33 | 73% | 53 | **118%** |
| 11-2 | Persons representing institutions and stakeholders from the programme area with improved skills and competences in CB service delivery | Number | 300 | 536 | 179% | 290 | 97% | 826 | **275%** |

Source: JS, own calculation / note: data from 2nd call taken from application forms – still subject to clarifications with the JS

*PA4: Technical Assistance*

**Specific objective 4.1: Provide the efficient and frictionless enforcement of the cooperation programme**

Achievement of the output indicators show that the programme was effectively set up for the implementation and that services regarding support activities and programme promotion are also progressing well.

**Table 14:** TA – Interim achievement of TA projects to the programme output indicators

| ID | TA – Output indicator | Measurement unit | Target value (2023) | Achieved by 31.12.2016 | |
|---|---|---|---|---|---|
| | | | | total | % of target |
| TA-1 | Joint CB projects implemented and concluded | Number | 57 | 0 | 0% |
| TA-2 | Joint CB informational and publicity events | Number | 10 | 7 | 70% |
| TA-3 | Employees whose salaries are co-financed by the technical assistance | FTE | 12 | 11,67 | 97% |
| TA-4 | e-Monitoring System established | Number | 1 | 1 | **100%** |
| TA-5 | First level controllers established | Number | 2 | 2 | **100%** |
| TA-6 | Programme evaluation plan prepared and approved by Monitoring Committee (MC) | Number | 1 | 1 | **100%** |
| TA-7 | Programme communication plan prepared and approved by MC | Number | 1 | 1 | **100%** |
| TA-8 | Guiding document addressed to applicants and beneficiaries | Number | 1 | 2 | **200%** |
| TA-9 | Information, consultation and training measures for applicants and beneficiaries | Number | 8 | 5 | 63% |

Source: JS, own calculation

- **What is the progress in implementation of Communication strategy and achievement of the set objectives?**

The general <u>objective</u> of communication is to enhance the public awareness of the EU support for projects in the area of CBC through the effective use of communication instruments, especially by communicating the existence of the European Funds and added value that the cohesion policy represents for the CP Interreg SI-HR in the period 2014-2020 through the wide array of instruments.

| Programme level specific objectives: | Specific-project level objective is to: |
|---|---|
| - ensure well-functioning internal communication between the programme bodies to make the programme function effectively, <br> - provide information on all programme related issues (programme documents, eligible area, available funds, etc.), <br> - strongly promote the funding opportunity to activate the potential beneficiaries, <br> - support beneficiaries in all phases of project implementation to guarantee the best possible outcome of the projects, <br> - actively cooperate with other Interreg programmes to share information and best practices and learn from one another, | - inform beneficiaries of the duties attached to the funding, <br> - support and encourage beneficiaries in communication activities, <br> - underline the benefits of CBC for the general public in the programme area. |

| | |
|---|---|
| - general public information on co-financed projects,<br>- promote the benefits of CBC in the programme area. | |

**The achievement of objectives of the Communication strategy is progressing well. Activities have been implemented in line with the envisaged phases of communication. The programme has effectively communicated the opportunities for participation in the programme what has been reflected both in the attendance of the workshops and received applications. The general public so far has been addressed to a lesser extent.**

The programme website as the main communication tool is structured in a meaningful way and regularly updated with news that mainly target potential applicants and beneficiaries.

Visits to the programme website exceeded the targets for 2023 by 244% only in one year, what indicates that these were set in a very modest manner. Targets for other indicators in the communication strategy were set more realistically and their achievement is progressing well.

**Table 15:** Achievement of the communication strategy targets

| Indicator | Measurement unit | Baseline value | Target value 2023 | Achieved by end of 2016 | % achieved |
|---|---|---|---|---|---|
| Recognisability of the CP Interreg SI-HR | percentage | 0% | 60% | Survey 2019, 2023 | - |
| Knowledge of the Programme website | percentage | 81% | 90% | Survey 2019, 2023 | - |
| Number of visits to the website | visits | 0 | 10000 | 24434 | **244%** |
| Number of workshops performed | workshops | 0 | 12 | 5 | 42% |
| Number of participants at workshops | participants | 0 | 250 | 550 | **220%** |
| Number of mailing list members | addressee | 0 | 500 | 386 | 77% |
| Number of created Information materials | issues | 0 | 1000 | 900 | 90% |
| Number of events performed | events | 0 | 8 | 3 | 38% |
| Number of participants at events | participants | 0 | 600 | 350 | 58% |

# 4. Conclusions and recommendations

## Programme structures and procedures

The programme delivery mechanism as set up initially is already approaching the receipt of the 3rd round of applications. Apart from minor loosening of the AB check rules after the 2nd round not other changes in procedures were made. There is still some room for some fine-tuning of tools and support provided to the applicants or beneficiaries.

| Conclusions | Recommendations |
|---|---|
| **Conclusion 1:** The project development support tools and services are already well developed. Needs, which were identified with regard to understanding the programme intervention logic and related project design should be further addressed. | **Recommendation 1:** The JS should complement the Implementation manual for beneficiaries in the Part 2 with some concrete examples of project intervention logic clearly showing the linkages with the programme, which have been so far been presented only at conceptual level. |
| | **Recommendation 2:** The JS should publish on the programme website also the complete document available in English, which explains the methodologies for the calculation of the established system of indicators. This is of particular importance for the projects addressing PA2. |
| | **Recommendation 3**: The JS should complement the workshop for applicants with lessons learned from quality assessments of applications using practical examples – good and not so good practices. |
| **Conclusion 2:** The AB check procedure so far has not been user friendly. It also increases the workload for the applicants who reapply with the same project and for the assessors. Minor improvements were made for the 3rd deadline onwards. | **Recommendation 4:** The JS and MC should observe the outcomes of the AB check in the 3rd round. If the share of applications passing the AB check does not increase to around 80%, further possibilities for clarifying the formal mistakes should be given to the applicants. |
| **Conclusion 3:** The eMS proved to be difficult to use for many applicants. Improvements could only be made to some extent. | **Recommendation 5:** The MA and JS should continue working on improvements of the system. If necessary, the capacities of the IT manager support should be increased temporarily to address deficiencies that can be solved internally. |
| | The MA should also negotiate with the Interact possibilities to improve the efficiency of support services. |
| | Among others, the Pdf layout of the application form should be improved and discrepancies between the eMS and pdf version eliminated. |

| Conclusion 4: FLC check procedure for Slovenian PPs are less user friendly than for Croatian PPs and increases the need for securing finances. Improvement of the quality of reporting is expected. | Recommendation 6: The FLC Slovenia should give the possibility to Slovenian partners reporting for the 1st time for a project to complement the report during the same check. This should help build capacities of PPs for quality reporting and contribute to achievement of the performance targets in 2018.

Recommendation 7: FLC Slovenia should check all reported expenditure in each period regardless of the claimed amount.

Recommendation 8: The FLC should monitor the effects of the introduced measures. If appropriate, FLC should be more flexible with regard to complementing of the reports with a view to ensure the highest possible certification of expenditure within the same check procedure. |
|---|---|
| Conclusion 5: Reporting periods under this programme mainly coincide with the reporting period of other ETS programmes, what can lead to bottlenecks in the performance of FLC checks for the Slovenian PPs. | Recommendation 9: Where appropriate, the MA/JS should in cooperation with the LPs further seek for possibilities to adjust the reporting periods in order to avoid as much as possible the overlapping with majority of other programmes.

The MA/JS and FLCs should regularly coordinate to detect and mitigate challenges that could affect creation of delays in certification of expenditure. |

## Effectiveness of the programme

| Conclusions | Recommendations |
|---|---|
| Conclusion 6: The quality of projects under the PA3 in general is low. The safety and connectivity topics have not yet been addressed. | Recommendation 10: The JS should inform applicants on identified gaps and in cooperation with the NAs and MC members engage in proactive project development. E.g. the programme could be presented to potential institutions in the sectors not yet addressed, thematic project development workshops or project clinics could be organised, similar to what has been done for applicants to the investment priority 6d. These activities should start early enough, before the announcement of the next deadline for submission of applications. |

| Conclusions | Recommendations |
|---|---|
| **Conclusion 7:** The projects addressing the improvement of conservation status of habitats seem difficult to prepare. | **Recommendation 11:** The programme bodies should engage proactively in the project generation. Potential institutions should be encouraged for cooperation. Should the outcomes of the 3<sup>rd</sup> round not be promising, the MC should consider reassessment of the programme targets. |
| **Conclusion 8:** The range of output and result indicators in the PA3 is rather small and is not likely to capture all important outcomes of the implemented projects. | **Recommendation 12:** In the next evaluation, when project outcomes will become visible;  the MA/JS and the evaluator should revise the intervention logic of the PA3 and if appropriate, consider develop additional indicators. |

## Implementation of the Communication Strategy

| Conclusions | Recommendations |
|---|---|
| **Conclusion 9:** The main focus of the communication actions so far was on (potential) beneficiaries, what was in line with the Communication strategy. | **Recommendation 13:** The communication activities aimed at general public should be intensified with increased implementation of projects. Synergies with project beneficiaries in promotion of the programme and its outcomes should be made. Interactions with the general public could be intensified through social media awareness raising campaigns. |

# 5. Annexes

## 5.1 List of interviews

| Date | Name | Programme body |
|---|---|---|
| 2 June 2017 | Špela Dragar | FLC Slovenia |
| 6 June 2017 | Dimitrij Pur | Managing Authority |
| 6 June 2017 | Vesna Resinovič | Managing Authority |
| 6 June 2017 | Tadej Baškovič | Joint Secretariat |
| 6 June 2017 | Tereza Černigoj | Joint Secretariat |
| 6 June 2017 | Barbara Krašovec | Joint Secretariat |
| 6 June 2017 | Urška Trojar | National Authority Slovenia |
| 6 June 2017 | Vesna Silič | National Authority Slovenia |
| 12 June 2017 | Mislav Kovač | National Authority Croatia |
| 14 June 2017 | Ines Horvat | FLC Croatia |
| 14 June 2017 | Ana Staniša | FLC Croatia |