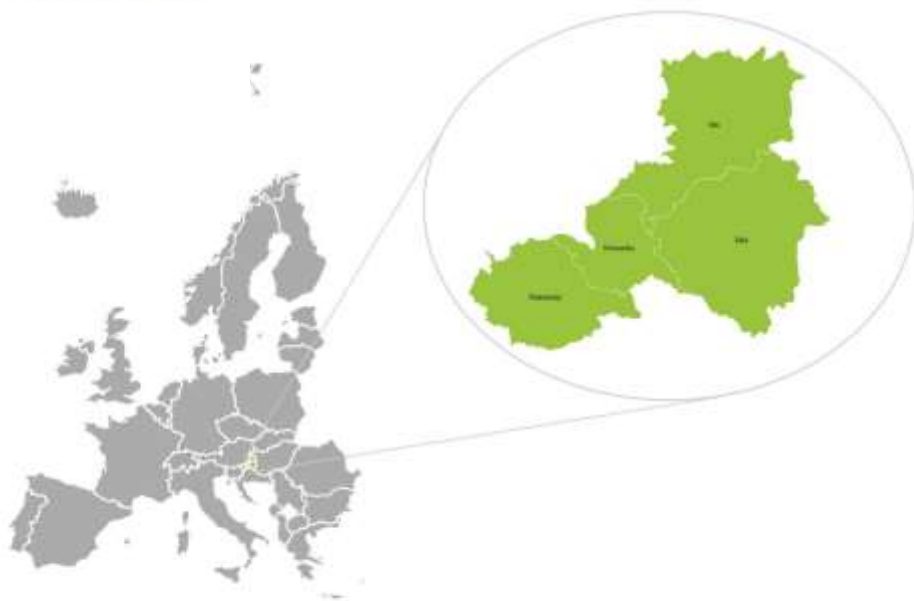


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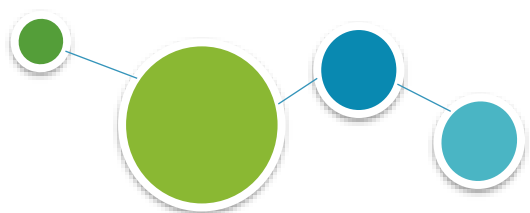
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Slovenia – Hungary



# INTERREG PROGRAMME SLOVENIA-HUNGARY

2021-2027



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<b>NUTS regions covered by the programme</b>	HU222 – Vas HU223 – Zala SI031 – Pomurje SI032 – Podravje
<b>Strand</b>	Strand A: CB Cross-Border Cooperation Programme (ETC, IPA III CBC, NDICI-CBC)



# 1. JOINT PROGRAMME STRATEGY: MAIN DEVELOPMENT CHALLENGES AND POLICY RESPONSES

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## 1.1 PROGRAMME AREA

*Reference: point (a) of Article 17(3), point (a) of Article 17(9)*

**The Slovenia-Hungary Interreg programme** area for the period 2021-2027 includes the following eligible NUTS 3 regions (with NUTS codes):

- Pomurje (SI031) and Podravje (SI032) regions from Slovenia and
- the counties of Vas (HU222) and Zala (HU223) from Hungary.

The territory of the Slovenia-Hungary border region covers 10.627 km<sup>2</sup> in total, two-thirds of the area belong to the Hungarian, and one-third to the Slovenian border region, divided by a border of 102 km in length. In terms of population, it is a region of approx. 962 thousand inhabitants, thereof 54% lives in Hungary and 46% in Slovenia.

Population density is 90,6 persons/km<sup>2</sup> which is way under EU-27 average. Podravje region is the most densely populated (151,6 persons/ km<sup>2</sup>) due to Maribor (the second biggest city in Slovenia), while the other regions are more sparsely populated, (Pomurje: 86 persons/km<sup>2</sup>, Vas: 76 persons/km<sup>2</sup>, Zala: 72 persons/km<sup>2</sup>) showing rural characteristics. The settlement structure of the programme area shows duality features: besides some important larger cities, the majority of the area's extent is a typically rural, rarely populated region with lots of small villages.

The programme area is characterised by various types of landscape: flat Pannonian areas (Pomurje, Podravje, Vas) are varying with hilly (Podravje, Zala) and subalpine territories (Pomurje, Vas). General demographical indicators show negative tendencies due to natural loss. Population decline is characteristic for Pomurje and Zala, while in Podravje and Vas population has been growing due to net migration.



## 1.2 JOINT PROGRAMME STRATEGY: SUMMARY OF MAIN JOINT CHALLENGES, TAKING INTO ACCOUNT ECONOMIC, SOCIAL AND TERRITORIAL DISPARITIES AS WELL AS INEQUALITIES, JOINT INVESTMENT NEEDS AND COMPLIMENTARY AND SYNERGIES WITH OTHER FUNDING PROGRAMMES AND INSTRUMENTS, LESSONS-LEARNT FROM PAST EXPERIENCE AND MACRO-REGIONAL STRATEGIES AND SEA-BASIN STRATEGIES WHERE THE PROGRAMME AREA AS A WHOLE OR PARTIALLY IS COVERED BY ONE OR MORE STRATEGIES

Reference: point (b) of Article 17(3), point (b) of Article 17(9)

### Introduction

The common challenges and needs in the Slovenian-Hungarian border region are presented according to the five ERDF Policy Objectives and the Interreg specific objective 'Better cooperation governance'. The description is based on the **Territorial and Socio-economic Analysis**, where the main joint challenges, needs and potentials of the area were identified. The description presents the lessons learned based on the experiences of the 2014-2020 period and the most relevant supported projects.

When determining future needs consultation process with stakeholders was also taken into account. Information gained from the analysis and consultation process were incorporated in the **Orientation Paper** on strategic thematic directions, drawing up a methodology for the selection of Policy Objectives (POs) and Specific Objectives (SOs).

After the description of main joint challenges and needs of the cross-border programme area concerning the different POs, the principles of the relationship with national programmes as well as the relationship with macro-regional strategies are presented.

#### 1.2.1. PO1: A smarter Europe

Introducing the general economic performance, in the programme area *the GDP has increased on both sides of the border between 2013 and 2018*. In case of all NUTS 3 units the GDP growth rate exceeded the EU growth rate, but lagged behind the respective national averages. Examining long-term tendencies, it can be stated that *differences in economic performance (GDP per capita) among the counties/regions of border region did not change significantly*, ranking of the regions remained the same.

In the 2014-2020 period the number of enterprises has grown on NUTS 3 level and in the border region as a whole. By 2018 the growth in number of active enterprises and the growth in employed persons was higher in the Hungarian counties than in the Slovenian regions. The statistical data does not show the effect of the Covid-19 pandemic yet.

*The R&D expenditure per inhabitant is significantly lower in the border region than in the EU27*. The total expenditure is higher in Eastern Slovenia (Vzhodna Slovenija) compared to Western Transdanubia (Nyugat-Dunántúl), but lower than the respective national averages. According to the 2019 data of the



European Innovation Scoreboard, both *Slovenia and Hungary belong to the category of moderate innovators*. Based on the attractiveness of the research system, the value of Slovenia is higher than that of Hungary in many categories (e.g. R&D expenditure, proportion of researchers working in the private sector, attractiveness of the research sector, Basic-school entrepreneurial education and training system, design application; employment in fast growing enterprises of innovative sector, lifelong learning).

Research and innovation-oriented cross-border cooperation between universities, research institutions, technology parks and innovation hubs are present in the border region. Institutions with common research activities and counselling services are able to support the development of companies operating in key sectors of border area. *Efforts should be made to maximise product, service and process development, especially for SMEs, using local knowledge*. The consultancy programs of R&D institutions should be encouraged to reach companies operating across borders. *The R&D centres in the region need to provide more information about themselves to local businesses in order to increase the number of collaborations*.

Considering the same development and the matter of smart specialisation, it can be stated that on both sides of the border, the *dominant economic sectors are similar, but have different weights in employment or income generation*.

Both in Western Transdanubia and Eastern Slovenia, agriculture has a higher number in employment than in the EU27 or nationally. Industry has almost the same weight on both sides of the border, being above the national averages. In Eastern Slovenia, the share of people employed in trade, transport, accommodation and hospitality is slightly lower than the Slovenian average, Western Transdanubia or the EU average. The proportion of people employed in the professional, scientific and technical fields in the programme area lags behind the EU27 value and the national averages.

The two most important agricultural areas in Slovenia are Pomurje and Podravje. 81% of the total area of Pomurje is agricultural land, while in the Podravje region of the same use is 70%. In Hungary, the counties of Zala and Vas have a smaller weight in agriculture compared to Podravje.

Vas county and Podravje are more industrialized areas. In Vas county automotive-machine industry and engineering are very significant as well as tourism, wood, furniture and food industry with agriculture are also very important. In Zala county the ZalaZone Automotive proving ground provides new innovative opportunities for automotive and electromobility industry and based on the geographic endowment tourism, forestry and wood industry are more important, while in Pomurje agriculture is dominant. In Podravje animal husbandry and viticulture are more significant than in the other counties. *Efforts should be made to further develop the local, small-scale food industry and to encourage sales in local markets*. Agricultural activity should seek to strengthen sustainable farming practices, such as expanding the number of organic farms, producing safe food and short supply chains, disseminating innovative solutions such as precision production, and responding to the challenges of climate change. Quality and organic local food products produced in the area can also be attractive to tourists. *In Slovenia, some innovative, fast-growing companies have emerged in recent years, such as in agriculture, in organic farming and in the field of information technology, which can be an example for other business initiatives*.

Due to the higher wages in Slovenia, there are *some commuters from Hungary to work in Slovenia, mainly in the construction industry*. They typically go to Hungarian-speaking areas, but German is the common language of communication along the border. *Better foreign language knowledge and common language skills would increase job opportunities in the border area*.





Cross-border cooperation between SMEs is weak and there is a need to encourage links between businesses, e.g. in the field of mechatronic industry. *There are also obstacles to build business linkages, including lack of communication and information. Business development must take into account natural and landscape values, strive to utilise existing, even disused, facilities, reduce pollution, waste, recycle waste, decrease energy consumption, and increase the use of renewable energy sources.*

As developmental potential, economic development shall be built on the scientific and innovation activities of the universities, R&D institutions and technology labs of the region. *Local knowledge must be put at the service of the region's economic interests and social and environmental challenges:* this way the key players of the border region will work together to reduce the negative effects of climate change and demography tendencies, such as managing drought in crop production or aging, and introducing ecologically sustainable tourism solutions.

In terms of digital accessibility, the Hungarian side performs somewhat weaker than Slovenia, however tendencies are generally improving. *In general, internet access and internet use are improving, while the number of individuals not using the internet is in decrease.* This is because border areas with a low population density offer the same high quality of housing, but the highest level of services can be achieved primarily with digital solutions. *Digital solutions need to be used more widely in everyday life, such as for work in public administration, education, healthcare, social services.*

*As regards lessons learned* apart from tourism two projects were supported in relation to the economic development. One project aimed at the development of wine tourism (Wine Picnic), the other project aimed at strengthening the cooperation of business development organisations with high attention for improving the foreign language knowledge of the entrepreneurs (E-ECONOMY). In order to further encourage the cooperation among the enterprises the following matters were highlighted by the participants of the public consultation: strategic integration of key institutions to facilitate the development of entrepreneurship in the cross-border area; development of cross-border employment in tourism; development of incubator houses in the rural areas; joint education of agricultural farmers, particularly in viticulture and other green cultures; education of heritage crafts. In the 2014-2020 programming period tourism was dominant, supported projects (e.g. GardEN, ETHOS LAND, Mura Raba Tour) mainly indirectly contribute to the increase of local income and employment.

### 1.2.2. PO2: A greener, low-carbon Europe

The cooperation area has *extensive green territories with significant natural values and a high rate of biodiversity* (based on a large proportion of protected areas). This provides a good basis for promoting a sustainable lifestyle in the area where the consumerism and individualism had not yet overshadowed community spirit and close ties with nature that the locals there have and cherish.

*One of the most important natural protected territories in the Programme area is the trilateral Goričko–Őrség–Raab Nature Park, which forms a border region unique in Europe: the cooperation of three nature parks covering in total 105.200 ha territory of protected areas in Hungary, Slovenia and Austria.*

In Slovenia the *Goričko Landscape Protection Park* which centre is located in the Grad castle has an active role in nature protection, while on the Hungarian side the *Őrség National Park Directorate* and *Balaton Uplands National Park Directorate* are responsible for carrying out the nature protection activities and supervising the nature protected areas in the programme area. The cooperation of the organisations

managing the Goričko and Órség areas are dominant in the protection of environmental values in the border region. The Memorandum of Understanding of Partnership between all three National Parks (from Slovenia, Hungary and Austria) was signed in 2006. Since that time different cooperation projects have been implemented (e.g. within the framework of the Interreg Central Europe Programme and Operational programme Slovenia-Hungary 2007-2013) and the trilateral park is also a part of the European Green Belt initiative (an eco-tourism thematic route along the line of the former Iron Curtain).

The important part of nature protection is also the future 5-country *Transboundary UNESCO Biosphere Reserve Mura-Drava-Danube*, which combines the cluster of thirteen protected areas along the Mura-Drava-Danube region and jointly manages the shared river ecosystem in a sustainable manner while boosting economic growth and development in the region. *The Biosphere Reserve in the programme area stretches along the Mura river, covering significant territories in Pomurje and Zala county.* The preservation of the diverse biosphere of Kis-Balaton and Balaton in Zala County is also important, in connection with this special attention must be paid to the water quality of the related cross-border watercourses.

*The following habitat types are most at risk in Slovenia: the flowing waters and associated wetlands (Mura, Drava) and dry grasslands (Goričko) and in Hungary: transboundary watercourses, pastures, meadows, grassland habitats, local orchards.* The preservation of these habitats is crucial in the future.

The importance of both protected areas is in their transnational character and the impact in terms of ecosystem services and climate mitigation that they offer was acknowledged by different countries. In this aspect they can serve as exemplary and a platform for future cooperation when striving towards sustainable development goals in the cross-border area. *The water management is quite a big challenge in the programme area.* Low precipitation means a low rate of recharging capabilities of ground water and surface water. *Global warming could cause further water shortages and droughts, while intensive agricultural activity in Slovenia poses an increasing risk of soil contamination.* On the Hungarian side quality of surface water is better than in Slovenia. *Special attention must be paid to geothermal water that represents a valuable renewable source on both sides of the programme area,* but in order to keep it, its use must become sustainable. Cross-border activities in terms of awareness raising, water management and policy measures could provide a basis for efficient and sustainable water management in this sensitive area. It is necessary *to explore new solutions to prevent soil and water base contamination such as build individual wastewater treatment plants in sparsely populated parts of the settlements.*

The border area is located quite far away from the main population and industry centres, *the air quality is relatively favourable, however particulate matter pollution is problematic in urban areas,* especially in Murska Sobota. Car as dominant mode of transport and the use of fuels in households and services are the main reasons for this.

Climate change will have a significant impact for several sectors, as water management, agriculture, forestry, biodiversity, etc. The spatial planning should receive a determinate role in the next years to find the optimal solutions to mitigate the different effect of the climate change, such find new approaches of the shortage of water supply in the agriculture dominant areas. *The disaster management should be focused on effective preventive measures in all sectors, but especially in the agriculture sector,* in the future. Disaster management is organized on the national level, so it is important that countries keep on the collaboration in the Hungarian–Slovenian Permanent Joint Committee on Disaster Management. In disaster management and risk prevention, great attention must be paid to cross-border cooperation.

The situation of energy supply and consumption is similar to the national patterns, but in national climate strategies both countries are committed to energy efficiency and producing energy from renewable sources. Both countries failed to achieve the targeted share of renewable energy production. *In energy sector investments in the renewable should be made, to connect the waste management as a circular economy or geothermal energy as a renewable source available in the whole programme area.* With awareness raising at the level of households (including education of children) even with limited financial resources changes in people's habits may be achieved. The lack of cross-border sustainable mobility options was recognised. *The development of sustainable modes of transport (public traffic, e-mobility tools, biking) in the border area is important* for reducing harmful environmental emissions.

At cross-border level the protection of environmental values (national/nature parks, rivers, thermal waters) can be fostered via cross-border cooperation. One of the options is to preserve the existing flora and fauna, while another one is to *improve services with environmental interest, which are connected to different sectors like tourism, transport, local handmade products, primary/small producers, etc.* This method would help not only to preserve the natural values, but also to enhance the economic performance of the regions. With better spatial planning of urban areas and rural landscapes much more nature values could be preserved in the future.

*As regards to lessons learned* in the 2014-2020 programming period two projects were focused especially on nature protection activities. The Green Line project primarily encourages the cooperation of local businesses and institutions in the field of energy. Its aim is to encourage the reduction of energy consumption and to promote the use of renewable energies, for which tools for measuring energy consumption have been introduced. Within the framework of the GreenReg project, it was planned to spread the principles of environmentally sustainable operation in institutions and enterprises within the framework of a digitally accessible tool system. They also helped partnerships between green-minded organizations. Nature conservation appears in connection with a number of tourism projects aimed at presenting natural values in a sustainable way or encouraging active movement in nature. The ETHOS Land project targeted the dissemination of the sustainable economic activities and ethical employment, which values can be applied in wider range.

Dealing with waste is another issue which could be tackled in the Slovenia-Hungary Interreg Programme. It is one of the suitable fields where principles of circular economy can be applied and can build on existing practices. There is a potential in recovering waste into eco-fuels. In the 2014-2020 programming period, the URBAN SOIL 4 FOOD project was implemented in Podravje (co-financed by Urban Innovative Actions). In Maribor biological waste has been processed into fertile soil for the local community. In Maribor the WCYCLE institute was established for ensuring the management of resource / raw material flows in the local and regional area. It operates mainly at the basic research and development level.

*The concept of circular economy should be introduced to all aspects of human activities* and should be reflected in business models, government policies and circular culture (citizens), three interdependent aspects that are at the core systemic change from a linear to a circular economy. *A strategy for circular economy of the cross-border area should be elaborated* with a view that its application can generate numerous green working places and improve the quality of living and attractiveness of this environment. Initiatives regarding circular economy in border area exists but the solutions are not yet enabled within the legal and administrative framework. In order to achieve the ambitious plans for the transition to a circular economy as set out in new Circular Economy Action Plan of EU (2020), a supportive environment

to provide knowledge and information in the field of circular economy models could be designed within the cross-border programme.

In the future, *efforts must be made to preserve natural values, such as biodiversity*, which is a key value of the border region. At the same time, *more and more enterprises and institutions must be encouraged to operate in an environmentally sustainable manner*, which also needs for wide awareness raising activities among the citizens.

Consultation process with stakeholders showed the need to develop green infrastructure, to disseminate knowledge on nature conservation and the use of renewable energy, to disseminate electric mobility widely, and to monitor natural risks.

### 1.2.3. PO3: A more connected Europe

The Slovenia-Hungary border region – although being a very short (102 km length) border section – is an important gateway from public roads point of view as well. *The motorway section of the Mediterranean corridor (Lyon–Trieste–Koper–Ljubljana–Budapest–Ukraine – former corridor V) crosses the region at the border crossing Pince/Tornyiszentmiklós. The Graz–Maribor–Ljubljana link is part of the Baltic-Adriatic TEN-T corridor, while the Maribor–Gruškovje (–Zagreb–Belgrade–Niš–Thessaloniki) connection (A4, E59) is one of the branches of former corridor X, which is an important north-south internal axis of Podravje, also an important linkage from Austria and Germany towards the Adriatic coast, therefore suffering from severe congestions during summer holiday season. In general, the Slovenian side of the border area is very well connected, both to the core area of Central Europe and the Balkans/East Mediterranean as well.*

The accessibility of the rural areas in the inner parts of the regions needs to be further developed in order to ensure a better interconnectivity of smaller villages.

Concerning the cross-border traffic, *border crossings are accessible within half an hour in whole Pomurje and about nearly half of Zala county. More remote urban centres (Maribor, Szombathely and Zalaegerszeg) are within the 60-minute accessibility range too (by car). This is due to a high density of border crossings that have been especially developed after the accession of Hungary and Slovenia to the Schengen zone.*

In terms of *public transport*, as the scheduled coach service, they are provided on both sides in order to access micro regional and regional centres, or to reach the national capitals. *Concerning cross-border connections, currently no service is available between Hungary and Slovenia. The reintroduction of previously existing connections would be essential for the facilitation of cross-border cooperation.*

*The population of the border region is having a very limited access to cross-border rail services, with very low frequency and unfavourable journey time, which is valid for both sides of the border. Railway infrastructure in both countries is concentrated in the state capitals. In terms of cross-border traffic currently there is only one daily IC train between Budapest and Ljubljana which crosses the border area. Furthermore, on each workday there are four more connections from Zalaegerszeg to Hodoš, however to reach Murska Sobota, an additional transfer is needed. The frequency of trains may be considered sufficient. For an efficient cross-border mobility direct connections should be established between the regional centres. Changes in the timetables would be crucial to support cross-border passenger traffic and tourism flows.*



In the 2007-2013 and 2014-2020 programming periods *several cycling infrastructure development projects were implemented*. The Interreg V-A Slovenia-Hungary Cooperation Programme promoted the establishment of two new border crossings for cyclists:

- the Lendvadedes-Dedeskecskés–Dolga Vas connection as part of the IronCurtainCycling project; and
- the Orfalu–Budinci connection within the Guide2Visit project.

As most of the programme area is flat and small settlements are dominant, cycling is a preferred mean of transport in the area, particularly in Pomurje. *Besides longer distance tourism routes, all major urban areas have been equipped with safe cycling infrastructure that serves commuting and leisure purposes as well*. In hilly areas more people may be involved in cycling through the availability and rental of electric bicycles.

*There are two international airports in the area: in Maribor and the state owned Hévíz-Balaton International Airport at Sármellék*. The Edvard Rusjan Airport in Maribor has been renovated in 2012, which was followed by opening of several lines to various German cities and charter flights. Scheduled flights stopped in August 2018. The Sármellék airport used to serve seasonal charter flights, between May and October, from different German airports. The number of passengers peaked in 2014, since then tendencies were decreasing. Due to the pandemic services have been stopped in 2020.

*There is no navigable river in the border area*. Sport-related (kayak, canoeing) navigation and small boats are used on the Drava, Mura, Kerka and Rába rivers.

*Among the lessons learned*, in recent years, projects such as IronCurtainCycling and Guide2Visit have been implemented to promote cycling tourism, just like project Green Exercise. The projects aim to spread electric cycling, designate cycling routes and develop cycling services.

Consultation process with stakeholders showed the need for development of e-mobility and public transport was highlighted. Furthermore, the stakeholders consider it to be important to take into account the aspects of the disabled and the elderly in the development of transport services.

#### **1.2.4. PO4: A more social Europe including culture and tourism**

*The employment situation gradually improved since 2010 on both sides*, however, effects of the Covid-19 pandemic have slightly increased the number of job seekers. In general, *the most difficult employment situation is for those with a low level of education or other disadvantages in the labour market*. *Cross-border employment in the area is weak*.

*Lack of language knowledge is a barrier to cross-border employment*. Besides the common languages of communication, i.e. German or English, also national languages should be encouraged at school age.

*The population of the border area is better educated than the EU average*, but those without a profession are in the most difficult position in terms of employment. There are opportunities in educational cooperation, as high-quality public education may have a significant labour-retaining effect. For the time being in some cases Hungarian students go to Slovenian bilingual primary schools. In Hungary, the children can learn Slovenian as national language in the primary schools of Felsőszölnök and Apátistvánfalva.



*Schools and kindergartens have a major role in environmental education and raising awareness of sustainability values. The valuable natural environment is suitable for kindergartens and schools to try out various alternative, outdoor teaching methods. In addition to sustainability, digitalization is a defining trend today, which can be prepared for primary schools with electronic and robotics experimental education programmes.*

*There may be a need to provide a place for cross-border internship for students in vocational training and higher education. The obstacles for cooperation in practical trainings of vocational education must be handled by the cooperation of interested schools and national level institutions responsible for the regulatory framework.*

On both sides of the border university education is present in larger cities, the most important being the multidisciplinary university in Maribor and there are smaller university units at Szombathely, Zalaegerszeg, Nagykanizsa, Keszthely and Kőszeg. This provides untapped opportunities for cooperation.

*The rate of people at risk of poverty or social exclusion is almost the same on the Hungarian and the Slovenian side, while in the eastern part of Slovenia the poverty risk rate is higher than the national average. In Hungary the border region is in a more favourable situation compared to the national average due to its closeness to the Austrian border, significant number of people are daily commuting to Austria. Unemployed people, people with low education and lack of profession belong to the group of people at risk of poverty.*

*The life expectancy is generally higher in Slovenia (SI: 77 years for men and 82 for women / HU: 73 years for men and 80 for women), both on country level and in the border region. Both in the Hungarian and Slovenian part of the Programme area women live longer than men. Ageing is considered the most severe social problem in the border area, particularly in low-populated villages. The social welfare system is under increasing pressure due to the ageing population and the emigration of young people. In the future, not only the care capacity should be expanded, but the efficiency of services through modern digital solutions should be promoted as well.*

*In healthcare, the use of cross-border services is not very common, administrative barriers exist. In both social care and health care, it is recommended to introduce modern technical solutions, focus on prevention, which has been pointed out by the Covid-19 pandemic. Healthy lifestyle tends to be more popular in the future. Health-related development needs can also create new jobs in the region, offer cooperation between companies, universities and research institutions.*

*Tourism plays a very important role in the economy of the border region. According to the latest territorial data available from the statistical databases of both countries, in the Slovenian-Hungarian programme area more than 2,3 million tourists created closely 7,3 million overnight stays in 2019. Comparing this data with the year of 2014 – the beginning of the programming period – the registered growth in the number of tourists is more than 40%, while in the tourism overnights nearly 20%.*

*Government measures introduced to curb the Covid-19 epidemic have limited the operation of accommodations, which has periodically reduced tourist traffic in 2020 and 2021. At the same time, the epidemic has led to an increase in the number of teleworkers, with more and more people choosing rural areas as temporary or permanent residences. In the future, this will offer new opportunities for tourism and population attraction for the border region.*



Some remarkable cultural heritage sites and traditions can be found in the border region as well:

- The historical past connects the two sides of the border: the historical ethnic region, the Vendvidék and Muravidék (Slovensko Porabje and Prekmurje) includes Slovenian and Hungarian regions as well.
- Living traditions of the smaller villages provide an insight into the everyday life of the countryside, thus rural tourism has a great potential in the small village areas. Several monuments of the bigger historical cities preserve the memory of the region's rich folk past.
- Several thematic routes have been already established on both sides of the border, the connection of these routes across the border, however, is still unsolved.

Most of the tourism values are located in the border region. *Tourism demand is very concentrated on both sides of the border region*: there are several well-known and famous destinations with a great tourist turnover (the famous wellness/health resorts, lake Balaton and Maribor), while the majority of rural areas are less visited by tourists. *Except for wellness/health resorts, tourism (lakes, rivers, forests, vineyards) is seasonal and stronger in outdoor activities. Cooperation should focus on creation of joint tourism products and services by development of sustainable tourism models, with special focus on lesser-known areas.* In the 2014-2020 programming period, the Guide2Visit project focused on development and marketing of such tourism products and the results of the project shall be used in the future.

The great potential and the similarities of the tourism sector on the two sides of the border provide *good opportunities to align them into joint cross-border tourism products in line with the principle of sustainable tourism development*, i.e. with responsibility to the environment and the needs and interests of local inhabitants and to avoid mass tourism. Special focus should be given to lesser-known areas and connection of them to the existing tourism magnets.

*Development of sustainable tourism infrastructure and mobility is needed and integration and improvement of tourism quality standards with effective and coordinated joint tourism marketing and promotion activities* are also important including application of creative tourism marketing tools. Raising awareness and specialised training activities are essential to improve quality of human resources in tourism sector and also contributing to raising hospitality of the local people. Joint tourism destination management and new innovative tourist attractions and services open up possibilities and require new tourism accommodations contributing to the increase of income of local companies and households.

Despite of numerous challenges within PO4 described here only specific objective referring to enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation was selected within the Slovenia-Hungary Interreg Programme. Education and labour market cooperation, social and health care, with particular attention to ageing population is being addressed by ISO 6.2. All the supported activities are in line with all the principles of European Pillar of Social Rights, especially Education, training and life-long learning, Active support to employment, Healthcare, Inclusion of people with disabilities, Long-term care and Access to essential services. The programme will build upon experience from projects of previous perspectives (such as projects ATT, Right Profession, Dual transfer, Lamaprom, Motivage, etc.).

As regards to lessons learned, among the projects targeted human resources development and supported in the 2014-2020 programming period the following can be mentioned.



Right Profession II project targeted the improvement of vocational training system in order to reach better focus on the real professional needs of the border area, the career guidance of students and training of profession instructors were in the focus of the project. Any further education-oriented projects shall focus on implementation of cross-border training programmes beside the institutional development.

The MOTIVAGE project dealt with the improvement of social care services for elderly people. Within the project the experience of the village caretaker service and home care for the elderly were discussed and applied. Based on the experiences the more advanced services of the border region or the digital solutions can be disseminated or applied in wider range.

Among the lessons learned it is worth to highlight that the majority of the supported projects represent tourism. 12 funded projects relate to the various fields of tourism, such as, eco-tourism (GO IN NATURE), culture (ESCAPE), wine and gastronomy (Wine Picnic), cycling (IronCurtainCycling), horse riding (HORSE BASED TOURISM), canoeing (MURA RÁBA TOUR), sustainable green tourism (Guide2Visit). Most of the projects focus on lesser-known rural areas in terms of tourism. Almost all projects contain marketing activities, but generally these activities focus rather on fulfilment of implementation of any project activities than contribute to their integration in the overall tourism marketing activity of the border region. At the same time, the good practice of the implementation of joint cross border tourism destination management (TELE-KA-LAND) is also present in the border region. In the future, unified, integrated communication of several tourism products towards the target group is needed. In the current programme the SI-HU PRO project deals with finding synergies among the nature based and cultural touristic projects and creating a coherent concept for the longterm sustainability of the mentioned projects.

Consultation process with stakeholders showed, in addition to the above, the importance of maintaining designated trails and built facilities was emphasized. In the future, besides developing new tourism products, it is reasonable to focus on improving the quality of existing tourism products and supplementing them with creative elements.

The relevant statements of the Impact Evaluation of the Cooperation Programme Interreg V-A Slovenia-Hungary 2014–2020 carried out in 2020 are the followings: According to the objectives and planned actions of the tourism-oriented projects: „The project brought changes on the local level. The local communities' awareness about the opportunities offered by the region has increased. As a result, local residents welcome tourists and know how to advise and direct them towards different sights of interest. Also, additional investments were made that were not financed by the programme. The cross-border area is still poorly connected (particularly as regards public transport) and the tourism potential of the area, especially outside the large tourist centres (spa tourism as an example), is still underutilised.”

### **1.2.5. ISO1: A better cooperation governance**

The Slovenia-Hungary border region is involved in altogether three European Groupings of Territorial Cooperation (EGTCs). Out of these structures the most important one from the programme area's point of view is the *Muraba EGTC*. The organisation was set up for the sake of strengthening cooperation across the border and promoting the rights of national minorities in the territories of mixed ethnic population. Its founding members are the Town of Szentgotthárd, the Municipality of Lendava, the National Slovene

Self-Government from Hungary, and the Mura Region Hungarian Self-Government Community from Slovenia. Another EGTC with Slovenian and Hungarian membership is the Pannon EGTC, initially established by Hungarian and Slovenian institutions. Currently it counts 66 members, including three local governments from Slovenia (Lendava, Moravske Toplice and Ptuj). The Mura EGTC is a small, yet very active partnership, composed of 13 local governments from Zala county, but it has no members from Slovenia.

Out of the tools of integrated territorial development, *Integrated Territorial Investment (ITI)* is applied in Slovenia, for support of sustainable urban strategies in eleven urban municipalities, as well as in the Italy-Slovenia Cooperation Programme, but not in Hungary. Concerning the tool *Community-based Local Development (CLLD)* in both countries in the rural areas local action groups (LAGs) within the LEADER programme have been set up.

*In cultural relations minorities play a key role. Hungarian minority is concentrated in Pomurje, while Slovene minority (Porabje Slovenes) live in the area of Szentgotthárd (Monošter).* The region has a significant Roma minority as well.

The most important institution of Hungarian cultural life in Slovenia is the Hungarian National Cultural Institute in Lendava, which is home to several civil organisations being active in cultural life. The Pomurje Hungarian Radio (MMR) is part of the Slovenian national broadcaster, it has become a cross-border regional radio station. In Lendava also Hungarian public school institutions are operating.

Slovene cultural institutions in Hungary are concentrated in the area of Szentgotthárd, where the Association of Slovenes of Hungary is operating. This organisation has ten cultural artist groups, regularly organising various cultural events, art workshops for adults and children (painting, sculpturing), publishing volumes and offering language courses also for the non-Slovenian local population and operating the sample-farm at Felsőszölnök through its non-profit ltd. Szentgotthárd is also the seat of the Slovene-language Radio Monošter. The general consulate of the Republic of Slovenia is located in Szentgotthárd, also Hungary has a general consulate in Lendava. The Slovene minority self-government is seated in Felsőszölnök. It maintains two public primary schools, in Felsőszölnök and in Apátistvánfalva.

*As regards to lessons learned, in terms of institutional cooperation* capCROSSplan project's goal was to establish strong cross-border network of development organisations in the border area and to prepare suitable initiatives and suggestions for the regional development. Similar activity is done by SIHU PRO project in the case of the supported cross-border touristic projects. In the 2014-2020 programming period three projects were supported which can be considered as relevant project for people-to-people actions. All projects focused on the development of cultural assets (e-documenta Pannonica, Back in the Day, Folk Music Heritage). Experienced in the past, the culture can be a significant topic for the people-to-people cooperation. The improvement of common actions between various communities is also important, including the learning of foreign languages. The existing cooperation can mean the basis of further new projects. In the future the small-scale projects should reach the smaller communities with capability of implementation cross-border projects.

The relevant statements of the Impact Evaluation of the Cooperation Programme Interreg V-A Slovenia-Hungary 2014-2020 carried out in 2020 are the followings: The institution building "projects generally focused on networking, cooperation and connecting of the institutions and organisations in the whole cross-border area. This could be achieved by exchanging experience, organising workshops, preparing



databases and promotion. All these efforts have improved conditions for greater future cooperation in the cross-border region. The main impact that can be directly attributed to the programme is the stakeholders' perception that it is necessary to establish connections and cooperation with partners across the border in order to develop the region as a whole. Another important impact is the increased capacity of the stakeholders and target groups involved, which was achieved through workshops, sharing of good practices, study visits and exchange of employees in the field of economic development of the area." Furthermore, "in order to achieve a greater and more lasting impact in the future, the next CP should more effectively built by fostering the achievement of projects already implemented. This can be done via strategic cross-border project(s), capitalisation projects, linking of similar projects that are implemented at the same time and a small project fund."

### **1.2.6. Complementarity and synergies with other funding programmes and instruments**

The planned interventions of the cross-border programme should focus primarily on those thematic areas that are decisive in the border area, e.g. nature protection, tourism and institutional, people-to-people connections. Projects should support cooperation between organizations on both sides of the border. The national programmes primarily aim at developments and investments within the country borders. Potential overlaps shall be investigated between activities and projects at project level in national and cross-border programmes.

Projects financed by Interreg programmes have cross-border effects and therefore a special character compared to the projects financed by national programmes.

In the case of Hungary, the document of "Partnership Agreement for Hungary on the European structural and investment funds" for 2021-2027 period served as the basis for the analysis of synergies with the Interreg programme. The projects financed from the operational programmes in the frame of the Partnership Agreement can supplement the outputs or the effect of cross-border projects. In the case of Hungary, the following synergies can be realized according to the Specific Objectives of the Interreg VI-A Slovenia—Hungary Programme:

- Biodiversity and reduced pollution (SO 2.7.) – The Environmental and Energy Efficiency OP+ can finance supplementary projects
- Culture and tourism (SO 4.6) – The Economic Development and Innovation OP+ can finance supplementary projects initiated by Órség National Park. Territorial and settlement development OP + Plus can finance projects of municipalities in the field of tourist attraction.
- Better cooperation governance (ISO1) – Digital Renewal OP+ can finance projects for development of the state and local level governance institutions.

In case of Slovenia, Specific Objectives of the Interreg VI-A Slovenia–Hungary Programme are coherent with the Partnership Agreement for Slovenia which is still in process of adoption in January 2022. The synergies and complementarities are especially mentioned within the PO2 but additional synergies will be identified in the process of implementation.

Specific objectives of the Interreg VI-A Slovenia–Hungary Programme are coherent with challenges and development potentials of the Republic of Slovenia, set in the Slovenia's development strategy 2030

(focusing on productivity growth, low carbon circular economy, inclusive social development and intergenerational solidarity and strengthening the development role of the state and its institutions). Draft Partnership Agreement for Slovenia from March 2022 was available at the time of writing. The synergies and complementarities between national and Interreg programmes were institutionally identified and are mentioned within the PO2. Additional synergies will be identified in the process of implementation of the programme.

The development of the PA is also supported by cross-border Interreg programmes Slovenia-Austria, Slovenia-Croatia and Slovenia-Italy as well as with transnational programmes and cohesion funds, European investment funds, Next Generation EU, EU Solidarity fund, with overlapping areas focused on protection of biodiversity and sustainable and inclusive tourism based on local culture.

### 1.2.7. Correlation with macro-regional strategies

The entire area of the Interreg VI-A Slovenia-Hungary Programme is covered by the EU strategy for Danube Region (EUSDR), while EU Strategy for Adriatic-Ionian Region (EUSAIR) relates only to the Slovenian regions of the Slovenia-Hungary border region. Correlation with macro regional strategies is only assessed in case of thematic fields selected within Specific Objectives of Interreg VI-A Slovenia-Hungary Programme. For the reasons of selection of specific objectives please refer to chapter 1.3 of the document.

#### **PO 2 – a greener, low-carbon Europe:**

Concerning protection of natural assets, a very high synergy can be observed with the EUSDR (EU Strategy for the Danube Region), where Pillar 2 is entirely dedicated to the protection of environment, including PA4 aiming at the improvement of water quality, PA5 focusing on reducing environmental risks and PA6 supporting biodiversity, landscapes, air and soil quality. EUSAIR) also includes environmental protection as one of four key intervention areas. Topic 2 aims at the improvement of transnational terrestrial habitats and biodiversity. Within this intervention area the highest correlation is expected with Priority 1, targeting the development of joint management plans for cross-border habitats and ecosystems, with specific focus on NATURA 2000 sites.

#### **PO 4 – a more social and inclusive Europe:**

Both EUSDR and EUSAIR put significant focus on development of natural and cultural heritage-based tourism assets. EUSDR deals with tourism in PA3 (“Culture and Tourism, People to People”) of Pillar 1 (“Connecting the region”). Proposed interventions of Slovenia-Hungary Interreg Programme provide valuable contributions to most Actions of this PA, via promoting sustainable tourism, cultural activities, creative sectors and cultural heritage (Actions 1, 2, 5 and 6). Pillar 4 of the EUSAIR is entirely dedicated to sustainable tourism under Topic 1 (“Diversified tourism offer”), especially Action 5 (focused on the establishment of sustainable and thematic tourist routes, Action 6 (fostering the cultural heritage of the macro-region) and Actions 7-8 (improving tourism products and their accessibility). EUSAIR also supports actions under Topic 2 of the pillar (“Sustainable and responsible tourism management”), via measures expanding the tourist season, and building a more sustainable and responsible tourism sector (Actions



4 and 7). Specific actions of Pillar 4 of the EUSAIR target sustainable tourism either through the enhanced access to finances of tourism SMEs or the support of internationalisation of tourism SMEs.

### **ISO 1 – a better cooperation governance:**

Governance and cooperation are important cross-cutting areas for both related macro-regional strategies (EUSDR and EUSAIR). In addition to that, EUSDR has also a dedicated PA focusing on improved institutional capacities and enhanced cooperation between macro-regional stakeholders (PA10 under Pillar 4 titled “Strengthening the region”). Proposed interventions of Slovenia-Hungary Interreg Programme contribute to the improved institutional capacities for high-quality public services (Action 1), better administrative cooperation of communities living in border regions (Action 2), enhanced cooperation between state and non-state actors (Action 6) and intensified involvement of civil society and local actors in governance (Action 7).

## **1.2.8. Programme vision, mission and delivery principles**

The vision of the cross-border programme is to contribute to an active and cooperating border/programme region aware of its environmental, natural and cultural values, through promoting sustainable utilisation, preservation and exploitation for tourism purposes, setting up a well identifiable and attractive green tourism destination.

Horizontal principles laid down in Article 9 of Regulation (EU) 2021/1060 of the European Parliament and the Council (CPR) will be taken into consideration throughout the preparation, implementation, monitoring, reporting and evaluation: ensuring respect for fundamental rights defined in the Charter of Fundamental Rights; preventing any discrimination based on gender, racial or ethnic origin, religion of belief, disability, age or sexual orientation; promotion of accessibility and sustainable development, in line with the “do not significant harm” principle.

In line with Article 9 (4) and Recital 10 of CPR, in order to comply with the “do no significant harm” (DNSH) principle, all types of actions defined in chapter 2 were separately assessed, and the result is that they are compatible with the DNSH principle. Where the proposed project activities will involve Natura 2000 territories appropriate SEA assessment will be required as guiding principle.

Eligibility and selection criteria will be further defined in the Call, taking into account Strategic Environmental Assessment (SEA) and the DNSH principles. The Interreg VI-A Slovenia-Hungary Programme supports improvement of biodiversity, green and blue infrastructure and reduction of various forms of pollution thus contributes to SDGs 6, 11, 13, 14 and 15. By promoting sustainable local tourism focusing on rural lesser-known areas the Programme support UN’s efforts in reaching SDGs 1, 8 and 12.

The projects should take into account the values and principles of the New European Bauhaus and will contribute to UN’s Sustainable Development Goals (SDGs).

During the implementation of the Programme the MA will promote the strategic use of public procurement to support POs. Beneficiaries should be encouraged to use more quality-related, lifecycle cost and short supply chain criteria.

### 1.3 JUSTIFICATION FOR THE SELECTION OF POLICY OBJECTIVES AND THE INTERREG-SPECIFIC OBJECTIVES, CORRESPONDING PRIORITIES, SPECIFIC OBJECTIVES AND THE FORMS OF SUPPORT, ADDRESSING, WHERE APPROPRIATE, MISSING LINKS IN CROSS-BORDER INFRASTRUCTURE

Reference: point (c) of Article 17(3)

Table 1: Justification for selection of policy objectives and the Interreg-specific objectives

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
<b>PO 2 – 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</b>	SO 2.7 - enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	<b>1. Green border region</b>	<p>The programme area has extensive green territories with significant natural values and high rate of biodiversity. The border area is located relatively far from main large urban centres, which results in relatively good air quality. The two national parks, one nature park, the Mura-Drava Danube UNESCO Biosphere Reserve, several Natura 2000 territories cover the most valuable part of the border area from biodiversity point of view that is a significant asset of the border region to be safeguarded. On the other hand, climate change affects the entire ecosystem that needs mitigation actions. When attempting to reduce the negative effects on climate change local knowledge supported by R&amp;I sector should be used. The border region water management has particular challenges: low precipitation negatively affects ground water and surface water quantity, which, in combination with intensive agriculture, may reduce biodiversity.</p> <p>There is a high need for fostering cross-border initiatives for preservation of the existing flora and fauna and protecting valuable natural assets, and also to improve services with environmental interest contributing to sustainable economic growth of the bordering regions. Cross-border collaboration in water and disaster management is important for</p>



**urban  
mobility**

preservation of natural assets and reduction of pollution, prioritizing nature-based solutions.

Support to biodiversity and Natura 2000 areas are also promoted by Annex D of the 2019 Country Reports of Slovenia and Hungary.

The priority will be implemented in the form of grants (through public call) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.

**PO 4 – a more  
social and  
inclusive  
Europe  
implementing  
the European  
Pillar of  
Social Rights**

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

**2. Inclusive  
border  
region  
based on  
sustainable  
tourism**

Tourism plays a very important role in the economy of the border area. The tourism offer is very much natural and cultural value-based: health, eco, cultural, active, rural and wine tourism play the most important role in the tourist turnover throughout the whole programme area.

The biggest challenges of the tourism sector of the programme area:

- Tourism demand is rather concentrated on both sides of the border region on the so-called tourism magnets, mainly on the famous wellness/health resorts with a great tourist turnover, while the majority of rural areas are less visited by tourists;
- There are a lot of tourism products, packages and routes initiated in the past while there is a lack of cross-border coordination among these;
- Several good and valuable initiatives and development projects were carried out in the tourism sector in the border without sustainable maintenance and management;
- Local municipalities, citizens and locally owned companies are not sufficiently involved in operating tourism products and connected services.

Cooperation should focus on creation, further development, multiplication of joint tourism products and services by development of sustainable tourism models, with special focus on lesser-known areas. Besides new or updated tourism products connected tourism services should be developed in line with the





sustainability principle, paying attention to social inclusion and social innovation. Lesser-known areas that build on local capabilities and products should be promoted and connected to existing tourism magnets. Sustainable mobility connections should be developed and promoted, including cross-border ones. High emphasis should be put on development of joint tourism quality standards and establishment of cross-border tourism destination models. There is also high need for human resource development in tourism sector (awareness raising actions, tourism-related trainings, skill developments).

The priority will be implemented in the form of grants (through public call) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.

#### ISO 1

#### “A better cooperation governance”

b) enhance efficient public administration by promoting legal and administrative cooperation and cooperation between citizens, civil society actors and institutions, in particular with a view to resolving legal and other obstacles in border regions

#### 3.

#### Cooperating border region

##### ➤ Thematic cooperation

Although both countries belong to unitary centralised states, public administration and governance structures show significant differences on regional and local level. Besides local governments and their institutions there are several stakeholders that may be carriers of thematic cooperation in areas that have been so far unrevealed for cross-border initiatives.

Enhanced cooperation of local and regional governance structures is needed for the sake of identifying new areas of cross-border cooperation in various domains that represent challenges or opportunities for the cross-border area: *inter alia* in energy efficiency, utilisation of renewable energy resources, circular economy, education and labour market cooperation, social and health care, with particular attention to ageing population. Projects should focus on identifying obstacles, providing solutions, elaborating strategies and action plans,

c) build up mutual trust, in particular by encouraging people-to-people actions

preparing and implementing pilots, transferring good practices.

Reduction of energy consumption, promotion of renewable energies, circular economy, improvement of the labour market, education and training, access to health and social care are also promoted by Annex D of the 2019 Country Reports of Slovenia and Hungary.

The priority will be implemented in the form of grants (through public call) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.

➤ People-to-people cooperation

The border region is traditionally characterised by a positive and cooperative relationship between the two sides. Local governments, civil and cultural organisations are active players. Also, mutual existence of minorities provides a good basis for cooperation.

In order to build mutual trust, promotion of cultural exchange and dialogue support is essential to civil organisations, operating in the following fields: culture, including minority languages, sport, youth activities. Projects should focus on establishment of durable cooperation and involvement of local population from both sides of the border.

The priority will be implemented in the form of grants (through public call dedicated to small scale projects) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.



## 2. PRIORITIES

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### 2.1. PRIORITY 1 - GREEN BORDER REGION

#### 2.1.1. Specific objective 1.1 – Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution (RSO2.7)

*Reference: point (e) of Article 17(3)*

*2.1.1.1. Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate*

*Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)*

Supported projects are expected to result in joint solutions and actions contributing to improvement and maintenance of biodiversity in the border area, improvement in the status of green and blue infrastructure, better quality of the water bodies, reduction of various forms of pollution in the programme area. Supported actions should be in line with the relevant directives (Habitats, Birds, Invasive Alien Species, also Water Framework, Drinking Water and Floods Directives) and the Biodiversity and EU Forest Strategies for 2030.

In order to promote preservation of the existing flora and fauna, reduction of pollution, under this priority the following two types of actions shall be supported:

**1. Elaboration of cross-border/common analytical studies, strategies, action plans and models for more effective preservation of natural assets, biodiversity and improvement or maintenance of natural assets**, including, inter alia, the following activities:

- Analysis of water resources in terms of quantity and quality, development of monitoring system;
- Research projects in the field of biodiversity, elaboration of cadastres of different species of flora and fauna and their presentation;
- Common strategies on nature conservation and biodiversity;
- Strategies and action plans for definition of joint measures of protection;
- Strategies and action plans for introduction of sustainable ecosystem-based water management approaches, including natural water retention measures and prioritizing nature-based solutions in the border area, particularly on cross-border waterflows;
- Improved spatial planning of urban areas and rural landscapes with focus on natural protection;
- Modelling biodiversity impacts of climate change for the future and elaboration of pilots for testing possible solutions, including innovative digital solutions;
- Elaboration of joint actions for management of nature-related disasters, strengthening the coordination role of municipalities therein;

- Action plans for reduction of various forms of pollution (water, air, soil etc.).

**2. Implementing joint pilot actions contributing to protecting biodiversity, fostering joint water and disaster management and reduction of pollution**, including, inter alia, the following activities:

- Joint actions improving biodiversity, cross-border ecological connectivity and green infrastructure;
- Joint protocols, monitoring, intervention schemes for management of nature-related disasters;
- Revitalisation, improvement of water quality of and sustainable management of cross-border waterflows, including testing and application of sustainable ecosystem-based water management approaches and natural water-retention measures including support of digital solutions in the border area;
- Awareness raising and prevention activities on biodiversity, nature and environment protection, climate protection and adaptation, disasters (e.g. forest fires), fight against various forms of pollution.

Most important guiding principles for selection include coherence with relevant EU and national legislation, international nature protection conventions, impact on territory targeted, level of cooperation among partners, level of coordination of activities under the two types of actions, sustainability of project outputs.

**2.1.1.2. Indicators**

*Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)*

Table 2: Output indicators SO 1.1

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
1	2.7	RCO83	Strategies and action plans jointly developed	Strategy/ action plan	0	5
1	2.7	RCO84	Pilot actions developed jointly and implemented in projects	pilot action	0	8
1	2.7	RCO87	79	organisations	0	16

Table 3: Result indicators SO 1.1

Priority	Specific objective	ID	Indicator	Measurement unit	Base line	Reference year	Final target (2029)	Source of data	Comments
1	2.7	RCR 79	Joint strategies and action plans taken up	joint strategy/	0	2021	5	Jems	

			by organisations	action plan					
1	2.7	RCR 84	<b>Organisations cooperating across borders after project completion</b>	organisations	0	2021	10	<b>Jems</b>	

### 2.1.1.3. The main target groups

*Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)*

Target groups of the foreseen operations are, first of all, management bodies of areas responsible for maintenance of biodiversity, i.e. public institutions dealing with nature protection, water management, forestry and land use. These include national parks, nature parks and further public institutions responsible for nature protection, water management organisations, public forest management bodies.

Secondary target groups are universities and research institutions dealing with methodological support for investigations, preparatory actions, impact assessments etc., as well as local and regional (county) government units and their public bodies responsible for land use, school institutions as target groups for awareness raising.

Further target groups are publicly or privately owned non-profit organisations dealing with promotion of environmental consciousness and awareness raising, as well as public schooling organisations responsible involvement of wider target groups.

Indirect target groups are the wide group of land users: land owners, agricultural producers, the local population, students, pupils, tourists and visitors in the area.

### 2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

*Reference: Article point (e)(iv) of 17(3)*

*No territorial tools will be used within the programme. Activities will be implemented within whole programme area and no specific territory will be targeted.*

### 2.1.1.5. Planned use of financial instruments

*Reference: point (e)(v) of Article 17(3)*

*The priority will be implemented in the form of grants (through public call) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.*

### 2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4: Dimension 1 – intervention field for Priority 1

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	SO 2.7	058 Adaptation to climate change measures and prevention and management of climate related risks: floods and landslides (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	1.000.000,00
1	ERDF	SO 2.7	060 Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	1.000.000,00
1	ERDF	SO 2.7	079 Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	1.527.250,00

Table 5: Dimension 2 – form of financing for Priority 1

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	SO 2.7	01. Grant	3.527.250,00

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus for Priority 1

Priority No	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	SO 2.7	31. Other approaches – Sparsely populated areas	3.527.250,00



## 2.2. PRIORITY 2 – INCLUSIVE BORDER REGION BASED ON SUSTAINABLE TOURISM

*Reference: points (d) and (e) of Article 17(3)*

### 2.2.1. Specific objective 2.1 – Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation (RSO4.6)

*Reference: point (e) of Article 17(3)*

#### *2.2.1.1. Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate*

*Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)*

Supported natural and cultural tourism-related projects are expected to result in sustainable and harmonized cross-border tourism offer of the region and destination management with higher integration in local economy contributing to increased local tourism income and employment in the programme area.

Based on the significant natural and cultural potentials and the challenges local tourism sector faces (listed in Chapter 1.3.), the Priority should focus on development of sustainable tourism models in the border region (in line with the “Transition Pathway for Tourism<sup>1</sup>”), therefore projects should aim at pursuing the following guiding principles:

- Focus on lesser-known rural areas with natural values and cultural assets;
- Tourism can only be developed in an environmentally sustainable way. Tourism development should always consider the protection of ecological networks (core areas, ecological corridors, buffer zones) and Natura 2000 sites. Pressures on protected areas should be avoided through appropriate siting of facilities and careful design of tourism products and services;
- Tourism shall have a positive impact on local cultural heritage, being in accordance with best practices in conservation, maintenance and modernisation of heritage.
- Capitalisation and upgrading of existing tourism products and packages (especially those ones that were developed within cross-border cooperation projects in the 2014-2020 period) and integration of these into cross-border tourism products;
- Laying high emphasis on effective cross-border tourism promotion and fostering regional tourism destination management visible at international level;
- Integration of tourism into local economy, finding innovative ways of involvement of local players (local municipalities, companies, citizens) and facilitating inclusion of vulnerable population into tourism supply.

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<sup>1</sup> <https://op.europa.eu/en/publication-detail/-/publication/404a8144-8892-11ec-8c40-01aa75ed71a1/language-en/format-PDF/source-254933689>





Under this priority the following two types of actions shall be supported:

**1. Establishment of joint tourism quality standards and joint tourism destination management models on the basis of significant cultural (and natural) potentials and of cooperation of tourism organisations**, including, inter alia, the following activities:

- Mapping and collection of existing quality standards;
- Fostering establishment of joint quality cross-border green tourism standards and brands;
- Connection of micro tourism destinations to formulate cross-border sustainable tourism destination management systems;
- Application of creative tools for attracting tourists and promotion, including innovative use of digital solutions and ICT tools;
- Improvement of the human capacity of local tourism sector (awareness raising actions, trainings).

**2. Implementing pilot actions and joint solutions for better inclusion of culture and cultural heritage in development of quality touristic attractions and connected tourism services**, including, inter alia, the following activities:

- Quality improvement of cross-border tourism destinations with special focus on attractions of lesser-known areas (e.g. promotion and adoption of green standards and brands, promotion of sustainable mobility solutions in cross-border tourism product development (biking, hiking, use of public transport), increasing awareness on the climate change effects, promotion of eco-innovation in tourism, capacity building and support for adopting green and circular concepts, promotion of local supply chains, use of renewable energy sources);
- Creation of joint cross-border eco-friendly tourism products and services focusing on integration of various tourism supply with cross-border relevance;
- Improvement of cross-border accessibility of tourism attractions.

The types of actions have been assessed as compatible with “European Quality Principles for EU-funded Interventions with potential impact upon Cultural Heritage”. The project results should take into account the values and principles of the New European Bauhaus.

In terms of visitor management of developed sites National Air Pollution Control Programme (Article 6 NEC Directive 2016/2284) and/or the Air Quality, Noise plans and Sustainable Urban Mobility plans must be taken into consideration.

Selection criteria and sustainability requirements of this priority will be further elaborated at the call level.

### 2.2.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2: Output indicators SO 2.1

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
2	<b>SO 4.6</b>	<b>RCO84</b>	Pilot actions developed jointly and implemented in projects	<b>pilot actions</b>	<b>0</b>	12
2	<b>SO 4.6</b>	<b>RCO87</b>	Organisations cooperating across borders	<b>organisations</b>	<b>0</b>	24
2	SO 4.6	RCO116	<b>Jointly developed solutions</b>	solutions	0	7

Table 3: Result indicators SO 2.1

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
2	<b>SO 4.6</b>	<b>RCR 104</b>	Solutions taken up or up-scaled by organisations	<b>solutions</b>	<b>0</b>	<b>2021</b>	<b>4</b>	MA Monitoring System / Survey	
2	SO 4.6	RCR84	<b>Organisations cooperating across borders after project completion</b>	Organisations	0	2021	14	<b>MA Monitoring System / Survey</b>	

### 2.2.1.3. The main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Primary target groups of the foreseen operations are the relevant public and non-profit organisations bearing tourism and cultural competence operating in the programme area:

- municipalities;
- local, regional or national public authorities;
- tourism promotion and destination management organisations;
- NGOs operating in the field of tourism, culture, nature, digitalisation, rural development;
- education and training organisations engaged in culture and tourism;
- European Groupings of Territorial Cooperation (EGTCs).

Secondary target groups are local SMEs in tourism and cultural services.

Indirect target groups are the local population living in the programme area and tourists and visitors in the area, including the vulnerable groups.

### 2.2.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3)

No territorial tools will be used within the programme. Activities will be implemented within whole programme area and no specific territory will be targeted.

### 2.2.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The priority will be implemented in the form of grants (through public call) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.

### 2.2.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4: Dimension 1 – intervention field for Priority 2

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	<b>ERDF</b>	<b>SO 4.6</b>	166 Protection, development and promotion of cultural heritage and cultural services	2.000.000,00



2	<b>ERDF</b>	<b>SO 4.6</b>	167 Protection, development and promotion of natural heritage and eco-tourism other than Natura 2000 sites	2.466.667,00
2	<b>ERDF</b>	<b>SO 4.6</b>	083 Cycling infrastructure	2.000.000,00

Table 5: Dimension 2 – form of financing for Priority 2

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	<b>ERDF</b>	<b>SO 4.6</b>	01. Grant	6.466.667,00

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus for Priority 2

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	<b>ERDF</b>	<b>SO 4.6</b>	33. Other approaches – No territorial targeting	6.466.667,00



## 2.3 PRIORITY 3 - COOPERATING BORDER REGION

*Reference: point (d) of Article 17(3)*

### **2.3.1 Interreg specific objective 3.1 - Enhance efficient public administration by promoting legal and administrative cooperation and cooperation between citizens, civil society actors and institutions, in particular with a view to resolving legal and other obstacles in border regions (ISO 6.2)**

*Reference: point (e) of Article 17(3)*

#### *2.3.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate*

*Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)*

Legal and administrative cooperation projects are expected to:

- improve knowledge of local decision makers in various thematic areas,
- create new bottom-up initiatives for cross-border cooperation,
- result in better harmonised planning systems and processes, data collection and assessment methods, commonly identified regional interests and investigation of new development directions.

Under these component interventions shall have the following thematic focus:

- Joint cooperation activities in the field of low-carbon initiatives, *inter alia*, fostering renovation wave in public buildings and affordable utilisation of renewables, combating energy poverty for households, supporting usage of smart technologies for reduction of greenhouse gas emission, awareness raising of citizens to energy consciousness and sustainable behaviour, exchange of experience for optimal energy efficiency measures, elaboration of curricula on different fields of reduction of greenhouse gas emission;
- circular economy, with attention to circular economy business models, government policies and consumer habits with the aim to increase the share of recyclability of waste and utilization and use of material as secondary raw materials including water (recognizing and capture the full value of water);
- education and labour market cooperation, with particular attention to enhanced knowledge about the education system, requirements of admission, possible joint activities, fulfilment of cross-border traineeship programmes, employment, use of available public services, development of skills and communication, social integration of the youth;
- social and health care, with particular attention to prevention and ageing population including collection of information on demand and supply, system of care provision, physical and human resource conditions, possible niches of cross-border service provision.



Under this component, the following activities shall be supported:

- Joint and coordinated spatial planning for easier development activities;
- Elaboration of joint strategies to reduce legal and administrative obstacles of cooperation across the border;
- Joint cooperation activities in the field of low-carbon initiatives (energy efficiency, renewable energy, circular economy);
- Conceiving joint educational, vocational training programmes complementing/supporting official curricula with special emphasis on language education;
- Joint skills development of the target groups and beyond;
- Revealing and defining possibilities and fields of cross-border social and health care service cooperation;
- Elaboration of joint strategies and action plans addressing social matters and a better integration of horizontal issues (e.g. gender equality and social inclusion, including youth, women and disabled);
- Creating and coordinating joint programs by the media in the border area to better inform the local population.

Most important guiding principles include contribution to achieving the specific objective; the level of cooperation implemented; potential of the expected results to be capitalised upon; sustainability of the established cooperation; the scale of involvement of new partners in CBC activities.

### 2.3.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2: Output indicators SO 3.1

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
3	<b>ISO6.2</b>	<b>RCO87</b>	Organisations cooperating across borders	<b>organisations</b>	<b>0</b>	<b>16</b>
3	<b>ISO6.2</b>	<b>RCO83</b>	Strategies and action plans jointly developed	<b>strategy/ action plan</b>	<b>0</b>	<b>4</b>

Table 3: Result indicators SO 3.1

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
3	<b>ISO6.2</b>	<b>RC R84</b>	Organisations cooperating across borders after project completion	<b>Organisations</b>	<b>0</b>	<b>2021</b>	<b>10</b>	MA Monitoring system / Survey	
3	<b>ISO6.2</b>	<b>RC R79</b>	Joint strategies and action plans taken up by organisations	<b>strategy/ action plan</b>	<b>0</b>	<b>2021</b>	<b>2</b>	MA Monitoring system / Survey	

### 2.3.1.3 The main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Direct target groups are:

- local, county and regional self-governments and their institutions;
- national public authorities, governmental bodies located in the programme area;
- sectoral agencies, labour market organisations, health and social care institutions;
- public research institutions;
- youth organisations;
- churches and their organisations.

Indirect target groups:

- staff members of local, county and regional bodies and their undertakings;
- staff members of the local and national institutions and authorities located in the programme area;
- private businesses;
- population of the border region.



### 2.3.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3)

No territorial tools will be used within the programme. Activities will be implemented within whole programme area and no specific territory will be targeted.

### 2.3.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The priority will be implemented in the form of grants (through public call) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.

### 2.3.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4: Dimension 1 – intervention field for Priority 3

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	<b>ERDF</b>	<b>ISO6.2</b>	169 Territorial development initiatives, including preparation of territorial strategies	750.000,00
3	<b>ERDF</b>	<b>ISO6.2</b>	173 Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	660.872,00

Table 5: Dimension 2 – form of financing for Priority 3

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	<b>ERDF</b>	<b>ISO6.2</b>	01. Grant	1.410.872,00

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus for Priority 3

Priority No	Fund	Specific objective	Code	Amount (EUR)
3	<b>ERDF</b>	<b>ISO6.2</b>	33. Other approaches – No territorial targeting	1.410.872,00

### 2.3.2. Interreg specific objective 3.2 – Build up mutual trust, in particular by encouraging people-to-people actions (ISO6.3)

*Reference: point (e) of Article 17(3)*

*2.3.2.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate*

*Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)*

#### **ISO6.3 Build up mutual trust, in particular by encouraging people-to-people actions**

Mutual trust building projects are expected to generate new links in civil society cooperation in the border region, as well as enhanced individual relationships, new range of actors involved in a wide variety of events, increased level of mutual understanding resulted by positive experience of cooperation. Trust building projects are considered of strategic importance and highly contribute to the visibility of the Programme.

Under these component interventions shall have the following thematic focus:

- cross-border cooperation in arts and culture;
- cross-border sport events (tournaments, festivities, camps);
- cultivation of traditions of minorities;
- promotion of trust and intercultural dialogue;
- promotion of cross-border inter-generational solidarity.

Under this component, the following activities shall be supported:

- Trust building activities in the field of arts and culture, sport, minorities, intercultural dialogue, inter-generational solidarity;
- Organisation of various events with involvement of the target groups and the general public.

Implementation takes place through projects of limited financial volume, managed directly by the programme. Projects will be supported through the application of simplified cost options (SCOs).

Most important guiding principles include contribution to achieving the specific objective; the level of cooperation implemented; the level of participation; sustainability of the established cooperation; the scale of involvement of new partners in CBC activities.

### 2.3.2.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2: Output indicators SO 3.1

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
3	<b>ISO6.3</b>	<b>RCO87</b>	Organisations cooperating across borders	<b>organisations</b>	<b>0</b>	<b>26</b>
3	<b>ISO6.3</b>	<b>RCO115</b>	Public events across borders jointly organised	<b>events</b>	<b>4</b>	<b>25</b>

Table 3: Result indicators SO 3.1

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
3	<b>ISO6.3</b>	<b>RCR84</b>	Organisations cooperating across borders after project completion	<b>Organisations</b>	0	<b>2021</b>	<b>8</b>	MA Monitoring system / Survey	

### 2.3.2.3 The main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Direct target groups include:

- civil organisations (NGOs);
- cultural and arts associations;
- minority organisations (including minority self-governments);
- sport associations, clubs;
- youth organisations;

- schools;
- local governments.

Wider target group includes the general public of the border area.

#### 2.3.2.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3)

No territorial tools will be used within the programme. Activities will be implemented within whole programme area and no specific territory will be targeted.

#### 2.3.2.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The priority will be implemented in the form of grants (through public call dedicated to small scale projects) as the most suitable financial form taken into account the character of this priority, the nature of activities and the financial scale of this specific objective as well as the size of the projects.

#### 2.3.2.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4: Dimension 1 – intervention field for Priority 3

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	ISO6.3	171 Enhancing cooperation with partners both within and outside the Member State	352.726,00

Table 5: Dimension 2 – form of financing for Priority 3

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	ISO6.3	01. Grant	352.726,00

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus for Priority 3

Priority No	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	ISO6.3	33. Other approaches – No territorial targeting	352.726,00

### 3. FINANCIAL PLAN

Reference: point (f) of Article 17(3)

#### 3.1 FINANCIAL APPROPRIATIONS BY YEAR

Reference: point (g)(i) of Article 17(3), points (a) to (d) of Article 17(4)

Table 7: Financial appropriations by year

Fund	2021	2022	2023	2024	2025	2026	2027	Total
<b>ERDF (territorial cooperation goal)</b>	0,00	2.410.246,00	2.448.962,00	2.488.452,00	2.528.731,00	2.095.359,00	2.137.267,00	14.109.017,00
<b>IPA III CBC<sup>(1)</sup></b>								
<b>NDICI-CBC<sup>(1)</sup></b>								
<b>IPA III<sup>(2)</sup></b>								
<b>NDICI<sup>(2)</sup></b>								
<b>OCTP<sup>(3)</sup></b>								
<b>Interreg Funds<sup>(4)</sup></b>								
<b>Total</b>	<b>0,00</b>	<b>2.410.246,00</b>	<b>2.448.962,00</b>	<b>2.488.452,00</b>	<b>2.528.731,00</b>	<b>2.095.359,00</b>	<b>2.137.267,00</b>	<b>14.109.017,00</b>

### 3.2 TOTAL FINANCIAL APPROPRIATIONS BY FUND AND NATIONAL CO-FINANCING

Reference: point (f)(ii) of Article 17(3), points (a) to (d) of Article 17(4)

Table 8: Total financial appropriations by fund and national co-financing

Policy objective No	Priority	Fund (as applicable)	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries (for information)
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
<b>2</b>	Priority 1	ERDF	Total eligible cost	4.232.700,00	3.527.250,00	705.450,00	1.058.175,00	889.813,00	168.362,00	5.290.875,00	80,00	0,00
<b>4</b>	Priority 2	ERDF	Total eligible cost	7.760.000,00	6.466.667,00	1.293.333,00	1.940.000,00	1.616.658,00	323.342,00	9.700.000,00	80,00	0,00
<b>ISO1</b>	Priority 3	ERDF	Total eligible cost	2.116.317,00	1.763.598,00	352.719,00	529.080,00	374.770,00	154.310,00	2.645.397,00	80,00	0,00
	Total	ERDF	Total eligible cost	14.109.017,00	11.757.515,00	2.351.502,00	3.527.255,00	2.881.241,00	646.014,00	17.636.272,00	80,00	0,00
	<b>Total</b>	<b>All funds</b>	<b>Total eligible cost</b>	<b>14.109.017,00</b>	<b>11.757.515,00</b>	<b>2.351.502,00</b>	<b>3.527.255,00</b>	<b>2.881.241,00</b>	<b>646.014,00</b>	<b>17.636.272,00</b>	<b>80,00</b>	<b>0,00</b>

## 4. ACTION TAKEN TO INVOLVE THE RELEVANT PROGRAMME PARTNERS IN THE PREPARATION OF THE INTERREG PROGRAMME AND THE ROLE OF THOSE PROGRAMME PARTNERS IN THE IMPLEMENTATION, MONITORING AND EVALUATION

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*Reference: point (g) of Article 17(3)*

The Interreg Programme Slovenia – Hungary was elaborated by a bilateral Programming Task Force (PTF) in partnership with competent regional and local authorities and stakeholders from both countries according to the CPR regulation Article 8. The PTF held 9 meetings between October 2019 and February 2022. A team of external Hungarian and Slovene experts supported the PTF in this process.

The PTF was established based on the decision of the Programme's Monitoring Committee in October 2019. The PTF consisted of representatives from Hungary, Slovenia, the Managing Authority, the Joint Secretariat and the European Commission.

Stakeholders involved included representatives from the relevant national and regional administration departments, local administrations, Local Action Groups, Regional Managements / Regional Development Agencies, Universities, EGTC, Social Partners, Sectoral/Thematic Agencies (environment and nature protection, research and innovation, mobility, labour market, business support, education, health and social services, culture, youth and tourism) with relevance for the Programme area.

These stakeholders were identified and contacted (by direct mails) based on the Programme's database (contacts from beneficiaries and applicants as well as interested stakeholders of the general public that participated in activities of the Cooperation Programme 2014-2020, local administrations of the Programme area and recognised thematic institutions). Information about the programming process and invitations for participation in the consultation process were published on the Programme website in English, Slovene and Hungarian language.

The programming was an interactive process and it consisted of two phases:

Phase 1: Territorial and Socio-Economic Analysis and

Phase 2: Defining the strategic orientation of the future programme and drafting the contents of the programme document.

An important element of this process was the information and involvement of a broad range of competent local and regional stakeholders and experts throughout the entire programming process. To achieve this, information regarding the programming process together with the invitation to participate in the consultation process, and draft documents were made accessible on the Programme's website in English, Slovene and Hungarian language.

Phase 1: The Territorial and Socio-Economic Analysis

- exploratory interviews (12) were held with representatives of different key organisations in the regions of the programme area with both a territorial and a sectoral focus (January-February 2021). The members of the PTF (especially NA and JS) proposed stakeholders who might provide a



substantiated opinion both thematically and territorially relevant to the potential thematic of the future IP and assuring a balanced regional coverage. Partners from institutions with stronger territorial rather than a more technical-thematic focus of their work (Regional Agencies, Local Development Agencies) were prioritized in the interviews, taking into account a competent coverage of all potential thematic areas of the future IP.

In these interviews the strengths, weaknesses, opportunities and threats as well as key trends, main disparities between the sub-regions, common challenges and cooperation potentials regarding the potential thematic areas of the future programme were discussed.

- The final version of the Territorial and Socio-Economic Analysis was prepared and approved by the members of Programming Task Force (May 2021).

Phase 2: Defining the strategic orientation of the future programme and drafting the contents of the programme document followed by discussions on the definition of the strategic orientation of the future programme and drafting the further contents of the programme document.

- Based on the previous steps of the programming process, the expert team prepared an overview of potential interventions and arguments for each of the specific objectives that might become part of the Interreg Programme Slovenia-Hungary 2021-2027.

- In the framework of public consultation for the strategic orientation of the programme, regional stakeholders and the general public were invited to participate in an online survey to provide their feedback, comments and arguments regarding potential contents of the future Interreg Programme (March-April 2021). More than 400 persons were personally invited for that online survey via direct mails (composition of mailing lists). 239 respondents provided their comments.

- Two thematic expert workshops were held for each of the potential policy objectives of the programme (September 2021).

These workshops served for substantiated discussion with thematic experts on the selection and potential interventions within the selected policy objectives.

A draft Interreg Programme document (IP) was drawn up by the external experts and JS/MA on the basis of this process and was discussed by the PTF (November-December 2021).

- The draft IP was published on the Programme website for information and to receive the feedback by the general public (January, 2022). Additionally, all persons contacted from the first public consultation process were approached for their feedback. Received comments were documented and discussed by the PTF and relevant adaptations introduced into the final draft of the IP document. The information of this consultation process was published on the Programme website as well as official programming EU sites in MS countries participating in the programme.

During the entire programming process, the members of the PTF consulted with experts from other regional and national government departments on the progress of the programming process and the contents of the programme and assured their considerations would be integrated into the document.

Accompanying the IP drafting process, a Strategic Environmental Assessment (SEA) has been conducted to provide information about the potential effects of the programme on the environment (September 2021 to April 2022). Environmental authorities played an important role and were consulted to provide input to the assessments. The SEA was published for public consultations on the programme's website (January-February 2022) containing a summary in both national languages as well as the full report in English. The public consultation was open to everybody, i.e.

not only public authorities but also NGOs, interest groups and even individuals were invited to give their opinion on the assessments made. All comments received in this process were considered in drafting the final SEA report. Throughout the programming process, the SEA team provided input to the programming process through informal discussions, as well as through presentation and participation in PTF meetings.

### **The role of the programme partners in the implementation, monitoring and evaluation of the Programme**

The information from the general public and the proper involvement of competent programme partners is considered to be crucial for a successful programme implementation. The information of the general public about the programme is needed to assure ownership of the Programme and its outcomes.

The continuous involvement of programme partners in the implementation of the programme is envisaged for two reasons:

- To enhance ownership of the programme among partners, to make use of their knowledge and expertise and to increase transparency in decision-making processes;
- To improve the coordination with other programmes as well as with MRSs to capitalize on project and programmes results, as well as to increase synergies and complementarities.

Programme partners will be involved in steering and monitoring of programme implementation to make their voice heard in consultation and the decision-making process.

## 5. APPROACH TO COMMUNICATION AND VISIBILITY FOR THE INTERREG PROGRAMME (OBJECTIVES, TARGET AUDIENCES, COMMUNICATION CHANNELS, INCLUDING SOCIAL MEDIA OUTREACH, WHERE APPROPRIATE, PLANNED BUDGET AND RELEVANT INDICATORS FOR MONITORING AND EVALUATION)

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*Reference: point (h) of Article 17(3)*

The financial size of the programme is small, so communication and visibility will be structured and concentrated around different financially less intensive activities. The communication focuses on the transmission of information, awareness-raising, addressing applicants from all programme area to apply, creating cooperation communities, etc. The general objective 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.

The Communication strategy shall establish and define the key communication elements. A communication officer will be nominated.

### **Communication objectives**

In order to achieve its communication purpose, the programme sets out the following objectives:

- to promote the programme's funding opportunities with providing information on all programme related issues and motivate potential beneficiaries to use the possibilities the EU Funds represent;
- support programme bodies, applicants and beneficiaries in the effective project implementation by ensuring well-functioning internal communication between the programme bodies to make the programme function effectively, providing applicants and beneficiaries with high-quality and timely support in all phases of the project implementation (during the preparation, implementation, closing of projects, etc.)
- to make the programme known by providing the general public/media with understandable, easy to follow information on co-financed projects, promoting the benefits of cross-border cooperation and funding opportunities in the programme area and beyond, and underline the benefits of cross-border cooperation for the general public in the programme area, promoting projects' achievements and capitalisation activities;
- to cooperate with other Interreg programmes by sharing information and best practices to enhance inter-programme communication cooperation;
- to increase the projects' capacities to communicate their own achievements by supporting and encouraging beneficiaries in communication activities, enhancing inter-project cooperation, promoting capitalisation activities.

Communication activities touch all aspects of the programme life-cycle. The intensity of certain communication activities will depend on the particular implementation phase of the programme.



Key messages to be addressed during communication activities are strongly connected to topics that programme supports.

### **The programme defines four fundamental target audiences:**

The programme defines four fundamental types of target audiences, which are further detailed in the communication strategy of the programme: applicants or beneficiaries, programme bodies, the expert and political sphere, and the general public – especially citizens of the cross-border area and the media.

### **Communication channels and tools:**

- Programme website with a dedicated space for project websites Programme website will be linked to the single website portal of the Member States.
- Social media (e.g. Facebook). The social media mix can evolve depending on new IT developments and on new social media trends.
- Public events and meetings (workshops for applicants/beneficiaries/programme structures, annual events, synergy events for capitalisation).
- Publications/Press releases/Manuals/Guides (online and/or printed).
- Online campaigns, audio-visual productions in support of the programme's communication and visibility actions.

The programme will provide special attention and support to small-scale projects through events and via the programme web-site and social media.

As described in Appendix 3, IP SI-HU is planning to select all operations via Call for Proposals. Therefore, no pre-identified operations of strategic importance have been included in the Programme.

### **Monitoring, evaluation and indicators**

The communication activities will be subject to ongoing and ex-post evaluations. The evaluation will measure to what extent the objectives of visibility and awareness of the programme have been achieved. Data will be collected through surveys, internal statistics and website analytics.

The foreseen output indicators refer to the satisfaction with the quality of guidance and the engagement of the general public in programme activities. The communication goals are planned to be measured by several result indicators, e.g., number of received and approved applications, satisfaction of the applicants or beneficiaries with the provided information, guidelines and support, number of participants to events and specific activities, level of engagement in the programme newsletter, outreach of the social media account(s), number of events and participants of events other than workshops.

The programme will prepare the annual communication plan where activities to be carried out will be examined more in details.

Regardless of the programme budget being small, the communication activities will be implemented effectively. The programme foresees an estimated communication budget (excluding staff costs) of at least 0,3 percent of the total programme budget.

## 6. INDICATION OF SUPPORT TO SMALL-SCALE PROJECTS, INCLUDING SMALL PROJECTS WITHIN SMALL PROJECT FUNDS

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*Reference: point (i) of Article 17(3), Article 24*

The programme authorities carried out different evaluations and analyses during implementation of programming periods 2007-2013 and 2014-2020. In those evaluations, evaluators frequently recommended the simplification of application procedure, small scale projects and use of simplified cost options. Therefore, programme authorities propose simplifications for the programme in the period 2021-2027 which is also required by the EC.

Simplification means a significant reduction in the administrative burden for both the beneficiaries and the control bodies that carry out pre-payment administrative checks, as well as for all other bodies in the follow-up procedures. Obtaining evidence for claiming actual costs by individual cost categories (staff costs, administrative costs, travel and accommodation costs, external experts' costs, equipment costs) and their verification would be a disproportionate amount of work in the case of small-scale projects. At the same time, it would be time consuming and would prolong the time for the beneficiaries to get their reimbursements. Moreover, the potential for errors that could occur in transcribing and entering data into reporting system is significantly reduced.

Therefore, Member States decided to support projects of limited financial value (small-scale projects) within the priority 3 (ISO 6.3) of the programme in order to increase visibility and trust among people living in the programme area and beyond. Especially projects supporting people-to-people activities are usually financially very small with short project implementation period. Therefore, the need for simplified administrative procedure within the whole project cycle is necessary.

Interreg VI-A Slovenia-Hungary programme intends, within priority 3 ISO 6.3 to attract smaller institutions, such as NGOs, schools, SMEs and different kind of associations, to participate in programme activities, which will contribute to programme output and result indicators. The added value of such small-scale projects will be the increased mutual trust among people across the programme area and beyond border area. Institutions attracted by small-scale projects connect many local people in the programme area who will contact, cooperate, build trust and at the end improve the visibility of the programme. It is expected, that lasting relationships will be built during implementation of such projects that could also develop into bigger project ideas in the future.

For small-scale projects, the programme designed three different types of simplified cost options (fitting into three different types of projects) which are outlined in Appendix 1. It is intended that a separate call will be published for small-scale projects, which can form the following three types of projects:

- cooperation projects of institutions with at least two events
- trust building projects with large public events
- employee exchange projects

They will follow simplified application procedure, project reporting and cost reimbursement on the basis of simplified cost options only.



Support to small projects under a Small Project Fund, as defined in Article 2(10) of the CPR and Article 25 of the Interreg Regulation is not foreseen in the Interreg VI-A Slovenia-Hungary programme.

## 7. IMPLEMENTING PROVISIONS

### 7.1 PROGRAMME AUTHORITIES

Reference: point (a) of Article 17(6)

Table 9: Programme authorities

Programme authorities	Name of the institution	Contact name	Position	E-mail
<b>Managing authority</b>	Government Office of the Republic of Slovenia for Development and European Cohesion policy (GODC)  European Territorial Cooperation Division  Cross-border Programmes Section	Tanja Rener	Head of Section	tanja.rener@gov.si
<b>Audit authority</b>	Republic of Slovenia  Ministry of Finance  Budget Supervision Office	Gregor Greif	Director	gregor.greif@gov.si
<b>Group of auditors representatives</b>	Directorate General for Audit of European Funds,	Balázs Dencsó	Director general	balazs.dencso@eutaf.gov.hu



	Hungary as GoA member			
<b>Body to which the payments are to be made by the Commission</b>	Public Fund of the Republic of Slovenia for Regional Development and Development of Rural Areas (Slovenian Regional Development Fund)	Uroš Klopčič	Director	uros.klopcic@srrs.si

## 7.2 PROCEDURE FOR SETTING UP THE JOINT SECRETARIAT

*Reference: point (b) of Article 17(6)*

The Managing Authority after consultation with the programme Member States sets up the Joint Secretariat (JS) for the programme in compliance with Article 46(2) of the Interreg Regulation. There are no substantial changes in the functions and tasks of the JS compared to the period 2014 – 2020.

The JS composes of 5 full-time staff members including Head of the JS. 4 members including Head of JS will be stationed in Maribor, Slovenia, within the official structures of the GODC (Cross-border Programmes Management Division). The structural and implementation arrangements within the hosting organisation will be kept. Two part-time (one full-time equivalent) staff members as Info Points will be hosted by the Széchenyi Programme Office and will be located in Hungary (Zalaegerszeg and Szombathely), whose main role will be the same as the roles of the other JS members which are providing information and consultancy service to potential applicants (in the application phase), and ensuring programme management tasks related to projects under implementation (in the implementation phase). The continuation of the successful work of the JS as well as the smooth transition, institutional stability (avoid of staff turnover) and necessary adjustments of the JS to the functions and tasks stated in the

Cohesion Policy legislation 2021-2027 are ensured. The JS will continue to assist the MA and the monitoring committee in carrying out their respective duties and ensuring that all operational implementation tasks of the programme, including coordination of project development and project selection process, are fulfilled.

Detailed rules of the financial management of the programme authorities will be laid down in Memorandum of understanding.

### 7.3 APPORTIONMENT OF LIABILITIES AMONG PARTICIPATING MEMBER STATES AND WHERE APPLICABLE, THE THIRD OR PARTNER COUNTRIES AND OCTs, IN THE EVENT OF FINANCIAL CORRECTIONS IMPOSED BY THE MANAGING AUTHORITY OF THE COMMISSION

*Reference: point (c) of Article 17(6)*

The arrangements related to the irregularities which lead to financial corrections and appointment of liabilities among Member States (MS) will follow the already established principles from the programming period 2014-2020.

Without prejudice to the Member States' responsibility to take all required actions for preventing, detecting and correcting irregularities and reporting on irregularities including fraud, according to Article 69 (2) of the CPR, the MA shall in accordance with Article 52 (1) of the Interreg Regulation ensure that any ERDF amount paid as a result of an irregularity is recovered from the Lead Partner (LP). The project partners (PPs) shall then repay the LP any ERDF amounts unduly paid.

In line with Article 52 (2) of the Interreg Regulation the MA will not recover an amount unduly paid if it does not exceed EUR 250 ERDF (not including interest) paid to an operation in a given accounting year.

If the LP does not succeed in securing ERDF repayment from a PP or if the MA does not succeed in securing ERDF repayment from the LP, the Member State on whose territory the LP or PP concerned is located (in case of an EGTC where it is registered) shall, in accordance with Article 52 (3) of the Interreg Regulation, reimburse the MA the ERDF amounts unduly paid to that partner. The final decision on financial liability is taken by the Monitoring Committee on a case-by-case basis. The MA is responsible for reimbursing the ERDF amounts recovered to the general budget of the Union, in accordance with the apportionment of liabilities among the participating MSs as laid down below. The MA will reimburse the funds to the Union once the ERDF amounts are recovered from the LP/PP/MS.

Should the MA bear any legal expenses for recovery recourse proceedings – initiated after consultation and in mutual agreement with the respective MS – even if the proceedings are unsuccessful it will be reimbursed by the MS hosting the LP or PP responsible for the said procedure.

Since MSs have the overall liability for the ERDF support granted to LPs or PPs located on their territories, they shall ensure that any financial corrections required will be secured and they shall seek to recover any amounts lost as a result of an irregularity caused by a beneficiary located in their territory. Where appropriate, a MS may also charge interest on late payments.



In accordance with Article 52 (4) of the Interreg Regulation, once the MS has reimbursed the MA any ERDF amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner pursuant to its national law. The MS does not have to report this recovery procedure neither to the MA nor to the European Commission.

Where the MS has not reimbursed the MA any ERDF amount unduly paid to a partner, in accordance with Article 52 (5) of the Interreg Regulation, those amounts shall be subject to a recovery order by the European Commission (EC) which shall be executed, where possible, by offsetting to the MS. Such recovery shall not constitute a financial correction and shall not reduce the support from the ERDF to the respective Interreg programme. The offsetting shall concern subsequent payments to the same Interreg programme. In such an eventuality, the MA will start bilateral discussions with the concerned MS at fault so as to find a joint solution on how and from where to offset the amount deducted by the EC.

As stated in Article 69 (12) of the CPR, MSs shall report on irregularities in accordance with the criteria for determining the cases of irregularity to be reported, the data to be provided and the format for reporting set out in Annex XVII of the CPR. Irregularities shall be reported by the MS in which the irregular expenditure is incurred by the LP/PP and paid in implementing the project. The reporting MS shall at the same time inform the MA and the Audit Authority (AA) of the programme.

The MSs will bear liability in connection with the use of the Interreg programme ERDF funding as follows:

- Each MS bears liability for possible financial consequences of irregularities caused by the LPs and PPs located on its territory,
- In case of a systemic irregularity or financial correction (decided by the programme authorities after consultation with MSs or the EC), the MS will bear the financial consequences in proportion to the relevant irregularity detected on the respective MS´ s territory,
- For a systemic irregularity or financial correction on programme level that cannot be linked to a specific Member State, the liability shall be jointly borne by the Member States in equal proportions (50:50).

The liability principles described above shall also apply to financial corrections to Technical Assistance (TA) calculated in compliance with Article 27 of the Interreg regulation, since such corrections would be the direct consequence of project related irregularities (whether systemic or not) if they cannot be reused. The MA will keep the MSs informed about all irregularities and their impact on TA. At the end of the programming period, the MA will carry out a reconciliation to verify if there is a remaining balance of irregularities that have affected the TA budget. In case of a remaining balance, the MA will inform and ask the respective MS/MSs to reimburse the corresponding ERDF amount.

## 8. USE OF UNIT COSTS, LUMP SUMS, FLAT RATES AND FINANCING NOT LINKED TO COSTS

Reference: Articles 94 and 95 of Regulation (EU) 2021/1060 (CPR)

Table 10: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95	YES	NO
From the adoption the programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under priority according to Article 94 CPR (if yes, fill in Appendix 1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
From the adoption the programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### APPENDICES

Map 1: Map of the programme area

Appendix 1: Union contribution based on unit costs, lump sums and flat rates (Article 94 of Regulation (EU) 2021/1060 (CPR))

Appendix 3: List of planned operations of strategic importance with a timetable - Article 17(3)

## APPENDIX 1: Union contribution based on union costs, lump sums and flat rates

(Article 94 of Regulation (EU) 2021/1060 (CPR))

### A. Summary of the main elements

Priority	Fund	Specific objective	Category of region	Estimated proportion of the total financial allocation within the priority to which the SCO will be applied in %	Type(s) of operation covered		Indicator triggering reimbursement		Unit of measurement for the indicator triggering reimbursement	Type of SCO (standard scale of unit costs, lump sums or flat rates)	Amount (in EUR) or percentage (in case of flat rates) of the SCO
					Code <sup>(1)</sup>	Description	Code <sup>(2)</sup>	Description			
<b>3. Cooperating border region</b>	ERDF	ISO6.3	33. Other approaches – No territorial targeting	8,51	171	Type I - Cooperation project based on unit costs	RCO 115	Completed event	participant	Unit cost – participants at event	125,00 EUR

<b>3. Cooperating border region</b>	ERD F	ISO6.3	33. Other approaches – No territorial targeting	5,91	171	Type II – Mutual trust building projects based on lump sum	RCO 115	Completed events	2 events	Lump sum - 2 events	31.250,00 EUR
<b>3. Cooperating border region</b>	ERD F	ISO6.3	33. Other approaches – No territorial targeting	2,36	171	Type III – Employee exchange projects based on lump sum		1 FTE	Implemented project	Lump sum - 1 year exchange	31.250,00 EUR
<p><b>(1) This refers to the code for the intervention field dimension in Table 1 of Annex I to the CPR and Annex IV to the EMFAF Regulation.</b></p> <p><b>(2) This refers to the code of a common indicator, if applicable.</b></p>											

## B. Details by type of operation

Operation type short title (1)	Type I – Cooperation project based on unit costs
<b>The managing authority received support from an external company to set out the simplified costs</b>	
<b>Name of external company</b>	
<b>1. Description of the operation type including the timeline for implementation(1)</b>	<p>The calculated unit cost will be applicable only for small-scale projects, which are implemented exclusively under ISO1-SO 6.3. Small-scale projects will be used to address the specific aim to enhance people-to-people activities.</p> <p>A separate open call with regular submission deadlines could be launched at the end of 2022 or in the beginning of 2023. All 3 defined types of operations would be subject of the same Call. Possible beneficiaries are smaller institutions, such as NGOs, schools, SMEs and different kind of associations.</p> <p>The project is at most 1 year long and supports events that build up mutual trust, and enable or improve cooperation of institutions and target groups. At least two events (one per member state, each min 4 hrs long) per project and minimum of 25 participants per event are required. Events include workshops, conferences, seminars, and trainings.</p> <p>Within unit cost all costs occurring in phases of preparation as well as project implementation (staff costs, administrative costs, travel and accommodation costs, translation/interpretation costs, venue (room, equipment), moderation of the event and catering) are included.</p>
<b>2 Specific objective(s)</b>	Priority axis 3, ISO1 (SO6.3)
<b>3 Indicator triggering reimbursement(2)</b>	Completed event
<b>4 Unit of measurement for the indicator triggering reimbursement</b>	Participant



<b>5 Standard scale of unit cost, lump sum or flat rate</b>	Unit costs
<b>6 Amount per unit of measurement or percentage (for flat rates) of the SCO</b>	125,00 EUR
<b>7 Categories of costs covered by the unit cost, lump sum or flat rate</b>	Within unit cost all costs occurring in phases of preparation as well as project implementation (staff costs, administrative costs, travel and accommodation costs, translation/interpretation costs, venue (room, equipment), moderation of the event and catering) are included. See Methodology I (C.3 below).
<b>8 Do these categories of costs cover all eligible expenditure for the operation? (Y/N)</b>	Yes
<b>9 Adjustment(s) method(3)</b>	Set amounts represent the co-financing of projects to partners of both member states without any (later) adjustments.
<b>10 Verification of the achievement of the units</b> <b>— describe what document(s)/system will be used to verify the achievement of the units delivered</b> <b>—describe what will be checked and by whom during management verifications</b> <b>— describe what arrangements will be made to collect and store the relevant data/documents</b>	<p>a) Obligatory documents are:</p> <ul style="list-style-type: none"> <li>- Signed subsidy contract</li> <li>- Lists of participants, and the event report about each completed event that must clearly describe the event implementation (in words and picture where and when the event took place; who attended and what was presented, offered and shared with the participants and in what way).</li> </ul> <p>b) The MA/JS will be carrying out the management verifications for the reimbursements based on the documents listed under point a, setting out the conditions for support (signed subsidy contract) including all conditions for event implementation and reporting (the proof that the event took place: list of participants and a final report containing information about the completed event including date, location, invitation, photos, duration).</p> <p>The payment will be depending on the number of participants at the events.</p>

	c) The original documents are kept by the project partners (beneficiaries) and shall be made available in case of site visits and audit controls. The relevant data/documents will be collected by beneficiaries and uploaded in Jems monitoring system in the process of reporting.
<b>11 Possible perverse incentives, mitigating measures(4) and the estimated level of risk (high/medium/low)</b>	The level of risk from implementing projects using simplified costs compared to actual costs is low. When determining the amount of the unit cost, all regular costs incurring during implementation of planned events were taken into account. Mitigating measures are therefore not envisaged.
<b>12 Total amount (national and Union) expected to be reimbursed by the Commission on this basis</b>	Total reimbursed amount for the type I projects is about 225.000,00 EUR (180.000,00 EUR ERDF (80%) and 45.000,00 EUR of national contribution(20%).

## B. Details by type of operation

<b>Operation type short title (1)</b>	<b>Type II – Mutual trust building projects based on lump sum</b>
<b>The managing authority received support from an external company to set out the simplified costs</b>	
<b>Name of external company</b>	
<b>1 Description of the operation type including the timeline for implementation(1)</b>	<p>The calculated lump sum will be applicable only for small-scale projects, which are implemented exclusively under ISO1 (SO6.3). Small-scale projects will be used to address the specific aim to enhance people-to-people activities.</p> <p>A separate open call with regular submission deadlines could be launched at the end of 2022 or in the beginning of 2023. All 3 defined types of operations would be subject of the same Call. Possible beneficiaries are smaller institutions, such as NGOs, schools, SMEs and different kind of associations.</p>

	<p>The project is at most 1 year long and supports public events that strengthen mutual trust building. Two 1-day events, one per each member state are required. Open events are considered, with approximately 200 people attending; such as concerts and markets/fairs.</p> <p>Within the proposed lump sum all costs occurring in phases of preparation and project implementation (staff costs, administrative costs, travel and accommodation costs, translation/interpretation costs, venue (room, equipment), moderation of the event) are included.</p>
<b>2 Specific objective(s)</b>	Priority axis 3, ISO1 (SO 6.3)
<b>3 Indicator triggering reimbursement(2)</b>	Completed events
<b>4 Unit of measurement for the indicator triggering reimbursement</b>	2 events
<b>5 Standard scale of unit cost, lump sum or flat rate</b>	Lump sum
<b>6 Amount per unit of measurement or percentage (for flat rates) of the SCO</b>	31.250,00 EUR
<b>7 Categories of costs covered by the unit cost, lump sum or flat rate</b>	Within the proposed lump sum all costs occurring in phases of preparation and project implementation (staff costs, administrative costs, travel and accommodation costs, translation/interpretation costs, venue (room, equipment), moderation of the event) are included. See Methodology II (C.3 below).
<b>8 Do these categories of costs cover all eligible expenditure for the operation? (Y/N)</b>	Yes
<b>9 Adjustment(s) method(3)</b>	Set amounts represent the co-financing of projects to partners of both member states without any (later) adjustments.
<b>10 Verification of the achievement of the units delivered</b>	<p>a) Obligatory documents are:</p> <ul style="list-style-type: none"> <li>- Signed subsidy contract</li> <li>- Lists of service providers (in the case of a cultural event, a list of program providers is required; in the</li> </ul>

<p>— describe what document(s)/system will be used to verify the achievement of the units delivered</p> <p>—describe what will be checked and by whom during management verifications</p> <p>— describe what arrangements will be made to collect and store the relevant data/documents</p>	<p>case of a market/fair, a list of suppliers of goods and/or services is required), and the event report about each completed event that must clearly describe the event implementation (in words and picture where and when the event took place; who attended and what was presented, offered and shared with the participants and in what way).</p> <p>b) The MA/JS will be carrying out the management verifications for the reimbursements based on the documents listed under point a, that are setting out the conditions for support (signed subsidy contract) including conditions for event implementation and reporting (the proof that the event took place: list of service providers and a final report containing information about the completed event including date, location, invitation with program, photos, duration).</p> <p>The realisation of the operation is the key to trigger the full payment (after the last event is implemented). The control thus consists of checking whether the events were fully implemented and the outputs/results were delivered in line with the conditions set by the programme authorities (the outputs/results need to be well documented).</p> <p>c) The original documents are kept by the project partners (beneficiaries) and shall be made available in case of site visits and/or audit controls. The relevant data/documents will be collected by beneficiaries and uploaded in Jems monitoring system in process of reporting.</p>
<p><b>11 Possible perverse incentives, mitigating measures(4) and the estimated level of risk (high/medium/low)</b></p>	<p>The level of risk from implementing projects using simplified costs compared to actual costs is low. When determining the amount of the lump sum, all regular costs incurring during implementation of planned events were taken into account. Mitigating measures are therefore not envisaged.</p>

<b>12 Total amount (national and EU) expected to be reimbursed by the Commission on this basis</b>	Total reimbursed amount for the type II projects is about 156.250,00 EUR (125.000,00 EUR ERDF (80%) and 31.250,00 EUR of national contribution(20%)).
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## B) Details by type of operation

Operation type short title (1)	Type III – Exchange projects based on lump sum
<b>The managing authority received support from an external company to set out the simplified costs</b>	
<b>Name of external company</b>	
<b>1 Description of the operation type including the timeline for implementation(1)</b>	<p>The calculated lump sum will be applicable only for small-scale projects, which are implemented exclusively under ISO1 (SO6.3). Small-scale projects will be used to address the specific aim to enhance people-to-people activities.</p> <p>A separate open call with regular submission deadlines could be launched at the end of 2022 or in the beginning of 2023. All 3 defined types of operations would be subject of the same Call. Beneficiaries represent institutions in the programme area, which consists of budget users (i.e. state bodies and self-governing local communities, public agencies, public funds, public institutes and public economic institutes, other public law entities that are indirect users of the state budget or local community budget), associations and small institutions in the programme area.</p> <p>The projects are up to 1 year long and support cooperation in the field of education and labour market (emphasis on language education) to achieve a build-up of mutual trust, and enable or improve important cooperation of institutions and target groups.</p> <p>Within the project for the period of 1 year one employee is full-time working in host country, at location of the other project partner. It can be also</p>

	<p>implemented in the way for example that 2 people (coming from one or both member states) are employed within one project, each employee for the period of 6 months, respectively (or any other combination corresponding to 1 person/1 year).</p> <p>Within the proposed exchange lump sum costs occurring in phases of preparation of the project and project implementation (staff costs and administrative costs) are included.</p>
<b>2 Specific objective(s)</b>	Priority axis 3, ISO1 (SO6.3)
<b>3 Indicator triggering reimbursement(2)</b>	1 FTE
<b>4 Unit of measurement for the indicator triggering reimbursement</b>	Implemented project
<b>5 Standard scale of unit cost, lump sum or flat rate</b>	Lump sum
<b>6 Amount per unit of measurement or percentage (for flat rates) of the SCO</b>	31.250,00 EUR
<b>7 Categories of costs covered by the unit cost, lump sum or flat rate</b>	Within the proposed exchange lump sum costs occurring in phases of preparation of the project and project implementation (staff costs and administrative costs) are included. See Methodology III (C.3 below).
<b>8 Do these categories of costs cover all eligible expenditure for the operation? (Y/N)</b>	Yes
<b>9 Adjustment(s) method(3)</b>	Set amounts represent the co-financing of projects to partners of both member states without any (later) adjustments.
<p><b>10 Verification of the achievement of the units delivered</b></p> <p>— describe what document(s)/system will be used to verify the achievement of the units delivered</p>	<p>a) Obligatory documents are:</p> <ul style="list-style-type: none"> <li>- Signed subsidy contract</li> <li>- Signed employment contract or another relevant act by which the employee is assigned to the project and in which there is a clear definition of his tasks.</li> </ul>

<p><b>—describe what will be checked and by whom during management verifications</b></p> <p><b>— describe what arrangements will be made to collect and store the relevant data/documents</b></p>	<p>The employment contract is concluded between the beneficiary and the employee.</p> <p>- A preparation of a final report is obligatory at the end of the project duration. The report must be approved by the responsible person of the hosting beneficiary, and it must clearly show that the exchange duration was for 1 full year (1 FTE), what was done by the employee and where.</p> <p>b) The reimbursement of the project value will be done after all documents from point a) will be checked.</p> <p>It is essential to get assurance that the outputs/results reported are real. The control thus consists of checking whether the project was fully implemented and the outputs/results were delivered in line with the conditions set by the programme authorities (the outputs/results need to be well documented). The actual costs borne by the beneficiary in relation to the delivered outputs/results will not be checked.</p> <p>Control is done by MAJS; the original documentation is checked, which is kept by the beneficiaries.</p> <p>c) The original documents are kept by the project partners (beneficiaries) and shall be made available in case of site visits and/or audit controls. The relevant data/documents will be collected by beneficiaries and uploaded in Jems monitoring system in process of reporting.</p>
<p><b>11 Possible perverse incentives, mitigating measures(4) and the estimated level of risk (high/medium/low)</b></p>	<p>The level of risk from implementing projects using simplified costs compared to actual costs is low. When determining the amount of the lump sum, the regular costs incurring during implementation of planned event were taken into account. Mitigating measures are therefore not envisaged.</p>



**12 Total amount (national and EU) expected to be reimbursed by the Commission on this basis**

Total reimbursed amount for the type III projects is about 62.500,00 EUR (50.000,00 EUR ERDF (80%) and 12.500,00 EUR of national contribution(20%).

- (1) Envisaged starting date of the selection of operations and envisaged final date of their completion (ref. Article 63(5) of CPR).
- (2) For projects encompassing several simplified cost options covering different categories of costs, different projects of successive phases of an operation, the fields 3 to 11 need to be filled in for each indicator triggering reimbursement.
- (3) If applicable, indicate the frequency and timing of the adjustment and a clear reference to a specific indicator (including a link to the website where this indicator is published, if applicable).
- (4) Are there any potential negative implications on the quality of the supported operations and, if so, what measures (such as quality assurance) will be taken to offset this risk?

### C. Calculation of the standard scale of unit costs, lump sums or flat rates

#### 1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data; where the data are stored; cut-off dates; validation, etc.).

The historical data used for preparation of the methodology of the proposed cost simplifications (unit cost, lump sum) in the 2021-2027 programming period, were collected from the Electronic Monitoring System (eMS) of the programme 2014-2020 at the invoice level (already validated costs). The cut-off date for gathering the information was 31 August 2021.

The data in the eMS are stored under partner/project progress reports. All invoices were carefully checked to ensure completeness and to assure, they are of proven quality in relation to its objectives. In line with the management and control system of the programme 2014-2020 and the relevant provisions in the CPR and Interreg Regulation 2014-2020, the expenditures are verified and validated as eligible expenditure through management verifications by FLC before the submission to the CA and MA/JS. All together 11 (of 24) projects were taken into account, from which 8 were finished and 3 were missing the last projects progress report.

For the salary calculation the following data were used:

Slovenia: second gross is gross salary (average monthly gross earnings in Slovenia for August 2021 taken from the Statistical office of Republic of Slovenia data in amount of 1,900.43 EUR), together with contributions paid by the employer in amount of 16.1% of gross salary and holiday pay (in year 2021: 1,024.24 EUR))

Hungary: second gross salary is gross salary (average monthly gross earnings in Hungary for August 2021 taken from the Hungarian Central Statistical Office in amount of 426,500.00 HUF), the fringe benefit in amount of 690,000.00 HUF (pension fund contribution; health insurance fund; catering,

accommodation and leisure sub - accounts) and variable pay in amount of 1 average monthly gross earnings, together with contributions paid by the employer in amount of 17.0 %; the conversion rate used was 1,00 EUR = 360.00 HUF.

Average second gross salary amounts 1,990.13 EUR per month.

**2. Please specify why the proposed method and calculation based on Article 94(2) is relevant to the type of operation.**

The proposed unit cost and lump sums are in accordance with article 94 and cover specific categories of eligible costs, clearly identified in advance.

The amounts of unit costs and lump sums for proposed 3 types of small-scale projects were prepared on the basis of a fair, equitable and verifiable calculation method based on reliable statistical data, verified historical data, other objective information and an expert judgement.

In addition, they were assessed and confirmed as positive by the audit authority.

**3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and, if requested, provided in a format that is usable by the Commission.**

### **Type I projects (Cooperation projects based on unit costs)**

This type of events is intended for implementation of workshops, conferences, seminars, and trainings. For the calculation of the amount per unit of measurement (unit cost per participant) at least two events (at least one per member state, each min 4 hrs long) per project and minimum of 25 participants per event representing both MS are required.

- a) The preparation costs lump sum covers all expenditure needed for the preparation of the project until the date of submission of the project application to the programme.

For the small-scale projects in the period 2021-2027 the amount of 2,000.00 EUR for regular sized projects from the period 2014-2020 was reduced to 500.00 EUR. It is estimated that the amount is sufficient, as these are simpler projects of lower value. All projects have generated costs for the preparation of the proposal, independent from the question whether they can be claimed. We can identify the following costs: preparation, staff (writing the application, communicating & working with potential partners), administration, travel and costs for meetings with partners to discuss content, translation costs for necessary documents and in some cases external service providers and equipment (IT for writing the application).

Preparation costs are estimated to 500.00 EUR. They include at least 2 meetings, staff and administration costs.



August 2021 average salary of 1,990.13 EUR, and the assumption that 2 people had 2 full-day meetings, the staff costs amount to about 393.00 EUR; 15% is used for administrative costs and remaining 48.10 EUR covers traveling costs.

- b) Unit costs\* for events per participant per event covering moderation, venue (room, equipment), and catering were set in the following way:

The data considering all events were gathered (see Chapter C, point 1 of this document). After collection and checks performed, all incomplete data were excluded (if missing no. of participants, only translation costs reported etc.). Finally, the “non-representative” events (e.g. study tours, excursions and trips, presentations at fairs which were not organized by beneficiaries, certain specific thematic events, meetings, and other not specified events, reported events without costs reported) were omitted. For the methodology purposes only workshops, conferences, and trainings were taken into account.

Duration of the events was set to one-day unit and for all types of events average and median unit cost value were calculated. The calculated value expresses the costs for one participant per day per event.

The calculated average and median values for 1 participant at a 1-day workshop are rounded to 31.00 and 30.00 EUR, respectively.

The calculated average and median values for 1 participant at a 1-day conference are rounded to 34.00 and 27.00 EUR, respectively.

The calculated average and median values for 1 participant at a 1-day training are rounded to 55.00 and 59.00 EUR, respectively.

Use of the average/median is considered appropriate as it reflects best the programme reality and levels out extremes. After taking into consideration also the number of each type of event and calculated mean and median values, the unit cost\* per participant per one-day event was calculated to 45.00 EUR (see the MS Excel document).

- c) The translation cost of documents stand at 20.00-30.00 EUR per page, and the interpretation costs (simultaneous, consecutive) are 110.00-140.00 EUR per hour. Since we made the length of the event obligatory to at least 4 hrs, the estimation of 500.00 EUR translation costs per event.
- d) Other costs that were considered for the project budget size are: staff, administration, travel and accommodation costs); they are summarized to approximately 40 % of the whole project budget.

**CALCULATION OF UNIT COST** (project with 2 project partners; planning each one event with 25 participants):

project budget size = preparation costs + participation costs + no. of events × translation costs + other costs

project budget size = preparation costs + unit cost\* × no. of events × no. of participants + no. of events × translation costs + other costs



preparation costs = 500.00 EUR

participation costs = 45.00 EUR × 2 × 25 = 2,250.00 EUR

translation costs = 2 × 500.00 EUR = 1,000.00 EUR

project budget size = (500.00 EUR + 2,250.00 EUR + 1,000.00 EUR) : 0.6 = 6,250.00 EUR

other costs = 0.4 × project budget size = 2,500.00 EUR

In the calculation the 2,500.00 EUR is used as other costs. This amount is divided to 2 partners (each 1,250.00 EUR). From the historical data we can estimate that 100.00 EUR would cover the traveling costs used to attend the event within the programme area. Within 1,150.00 EUR remaining, 15 % represent administration costs (172.50 EUR). With average monthly gross earnings in August the amount of approximately 1,000.00 EUR would correspond to about 10 full-time working days for each partner's staff to prepare and implement the event, and report on it afterwards.

For the programming period 2021-2027 the calculated unit cost per participant per event is therefore estimated to:

**UNIT COST = 6,250.00 EUR : (2×25) = 125.00 EUR**

### Type II – Mutual trust building projects based on lump sum

For the calculation of the amount of lump sum for events two events (one per each member state, each min 4 hrs long), are required. Open events are considered, with approximately 200 people attending each event; such as concerts and markets/fairs.

- a) The preparation costs are estimated to 500.00 EUR using the same methodology as for type I projects.
- b) Lump sum\* for 1 event covering moderation and venue (room, equipment) was set in the following way:

The calculated unit cost\* was 45.00 EUR per participant per event per day.

Since open events are considered, the decision was made to set an estimation of 200 people joining the event, thus the proposed lump sum\* per one daily event was calculated to 9,000.00 EUR.

- c) Possible other costs that were considered to determine the project budget size are: staff, administration, travel and accommodation, translation and external experts' costs; they are summarized to approximately 40 % of the whole project budget.

**CALCULATION OF EVENT LUMP SUM** (project with 2 project partners; each planning one event):

project budget size = preparation costs + lump sum\* × no. of events + other costs



project budget size =  $(500.00 \text{ EUR} + 9,000.00 \text{ EUR} \times 2) : 0.6 = 30,833.33 \text{ EUR}$

other costs =  $0.4 \times \text{project size} = 12,333.33 \text{ EUR}$

For the programming period 2021-2027 the calculated lump sum per project with 2 events was rounded to 31,250.00 EUR which was set as the budget limit for small-scale projects by the programme:

### **EVENT LUMP SUM = 31,250.00 EUR**

From the calculation we can see that 12,750.00 EUR is proposed for covering other costs. This amount is divided to 2 partners (each 6,375.00 EUR) which covers translation cost of documents (20.00-30.00 EUR per page), and the interpretation costs (simultaneous, consecutive) are 110.00-140.00 EUR per hour. Since we set the length of each event to at least 4 hrs, the estimation of 500.00 EUR translation costs per event is used. With average monthly gross earnings in August the amount of 1,000.00 EUR corresponds to about 10 full-time working days that are available for each partner's staff to prepare and implement the event, and report on it afterwards. 15 % represent administration costs (150.00 EUR). Per partner about 4.725,00 EUR remains for traveling costs and costs for external experts (in the case of a cultural event for providers; in the case of a market/fair for suppliers of goods and/or services, payments of articles, photographers, security at the event and other).

### **Type III – Employee exchange projects based on lump sum**

For the calculation of the amount per unit of measurement (exchange lump sum) employee exchange for 1 person for a period of 1 year (or 2 people for the period of 6 months), enabling him/her a full-time employment for the whole time of project duration is required.

- a) The preparation costs are estimated to 500.00 EUR using the same methodology as for type I and II projects.

For the programming period 2021-2027 the exchange lump sum per project with either employment of 1 person for 1 year, or employment of 2 persons for half a year (or any other combination corresponding to 1 person/1 year) was set to 31,250.00 EUR (25,000.00 EUR ERDF) which was also set as the limit value for small scale projects by the programme. The justification of estimation of other costs is explained in the calculation below.

### **EXCHANGE LUMP SUM = 31,250.00 EUR**

#### **CALCULATION OF LUMP SUM:**

project budget size = preparation costs + other costs

project budget size =  $500.00 \text{ EUR} + 30,750.00 \text{ EUR} = 31,250.00 \text{ EUR}$

- b) From the calculation and proposed budget size of the project Type III it can be seen that 30,750.00 EUR of other costs would primarily cover the average second gross salary costs and the administrative costs that occur.

costs for SI employer per year =  $12 \times 1,900.43 \text{ EUR} \times 1.161 + 1,024.24 \text{ EUR} = 27,501.03 \text{ EUR}$

costs for HU employer per year =  $(12 \times 1,184.72 \text{ EUR} + 1,916.67 \text{ EUR} + 1,184.72 \text{ EUR}) \times 1.17 = 20,262.13 \text{ EUR}$

average cost for the employer per year =  $(27,501.03 \text{ EUR} + 20,516.43 \text{ EUR}) / 2 = 23,881.58 \text{ EUR}$

administrative costs =  $23,881.58 \text{ EUR} \times 0.15 = 3,582.24 \text{ EUR}$

**4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate.**

The data used for the calculation of standard scale of unit costs and lump sums was verified in accordance with the management and control system description of the programme (e.g., management verifications, quality checks & audits) and part of audit of operations with no findings. The audit authority in the 2014-2020 programming period assessed the programme's electronic monitoring system during their system audit as category 1.

In addition, statistical data published by Statistical office of Republic of Slovenia and the Hungarian Central Statistical Office on average gross salary were used, thus eligibility is assured.

**5. Assessment of the audit authority(ies) of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data.**

Overall assessment on the set-up of the 3 types of SCOs by the AA: positive

- 1) The unit cost - Type 1 - Cooperation projects based on unit costs;
- 2) The lump sum - Type 2 - Mutual trust building projects based on lump sum;
- 3) The lump sum - Type 3 - Employee exchange projects based on lump sum;

have been established in line with Article 94(2) of Regulation 1060/2021 on the basis of:

- (a) a fair, equitable and verifiable calculation method based on the following:
  - (i) statistical data, other objective information or an expert judgement;
  - (ii) verified historical data;

On the base of the assessment of the methodologies used for establishing of the 3 types of SCOs, the AA can confirm that the proposed set-up is in line with the regulatory requirements within Article 94(2), in particular:

- a) The calculation method is fair, equitable and verifiable.

- b) The data used are based on statistical data and verified historical data. The data used have been assessed as reliable and they are relevant to the type of operations.
- c) The categories/types of costs taken into consideration for establishing the SCOs are in line with the relevant national and EU eligibility rules in particular as established within Chapter V of Interreg Regulation No 2021/1059 (Art. 37-44) for Interreg programmes and Chapter III of the Common Provision Regulation No 2021/1060 (Art. 63 and 67).
- d) On the basis of the available information on the set-up methodologies, there is no risk of double funding of the same expenditure.
- e) The amounts set are in line with the assumptions made and the data used for establishing the amounts.
- f) The adjustment method will not be used in the implementation of the 3 Types of SCOs.

As regards the arrangements to ensure the verification, quality, collection and storage of data, INTERACTs IT system Jems is planned as supporting system to be used to confirm achievement of milestones/number of units and storage of data.

This assessment covers all relevant elements listed in section 1 of the Commission audit services SCO checklist. For each SCO separate checklist has been fulfilled by AA.

## APPENDIX 2: Union contribution based on financing not linked to costs

*Template for submitting data for the consideration of the Commission  
(Article 95 of Regulation (EU) 2021/1060 8CPR)*

Not applicable.



## APPENDIX 3: List of planned operations of strategic importance with a timetable - article 22(3) CPR

The Interreg VI-A Slovenia-Hungary Programme 2021-2027 is planning to select all operations via Open Calls for Proposals. A separate call will be launched for projects of limited financial value under ISO6.3.

The Member States decided to support projects of limited financial value (small-scale projects) within the priority 3 (ISO 6.3) of the programme in order to increase visibility and trust among people living in the programme area and beyond.

Border area of the programme is characterized by a language barrier which is usually overcome by intermediate language. Lack of language knowledge has significant impact on communication and trust in the programme area. Small institutions which connect many local people in the programme region have problems developing bigger projects which usually require significant amount of administrative work in order to develop bilingually understandable project applications. Programme intends to attract smaller institutions, such as NGOs, schools, SMEs and associations, to participate in programme activities, which will contribute to programme output and result indicators on a very simplified procedure, where less administrative work will be necessary and where project activities will be devoted to trust building. Institutions attracted by small-scale projects connect many local people in the programme area who will contact, cooperate, build trust and at the end improve the visibility of the programme. It is expected that lasting relationships will be built that could develop into bigger project ideas in the future.

Taking all this into consideration ISO6.3 people-to-people projects are trust-building projects, which are of high importance in cross-border area and therefore appropriate to be considered as projects of strategic importance as they highly contribute to programmes visibility.

At the planning stage of the programme, no such projects of strategic importance are predefined, only the activities of strategic importance are outlined as stated in chapter 2 (ISO 6.3) and chapter 6. The programme intends to implement such projects via open call for proposals, with special assessment criteria set to trust building and visibility of the programme. Open calls for small-scale projects will complement, support and contribute to visibility of selected regular projects within the programme.



