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Cooperation Programme 2014-2020
Interreg V-A

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LIST OF ABBREVIATIONS

AA	Audit Authority
CA	Certifying Authority
CF	Cohesion Fund
CP	Cooperation Programme
CPR	Common Provisions Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013
Danube Programme	Danube Transnational Programme
EARDF	European Agricultural Fund for Rural Development
EC	European Commission
EGTC	European grouping for territorial cooperation
EIB	European Investment Bank
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESI Funds	European Structural and Investment Funds
ETC	European Territorial Cooperation
EUSDR	EU Strategy for Danube Region
FLC	First Level Control
GDP	Gross Domestic Product
GoA	Group of Auditors
HIT	INTERACT Harmonized Programme Implementation Tools
IP	Investment priority
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
NUTS	Nomenclature of Territorial Units for Statistics
PP	Project Partner
PR	Project Progress Report
RTD	Research, Technology and Development
SA	Situation Analysis
SEA	Strategic Environmental Assessment
SFC2014	Shared Fund Management Common System
SO	Specific Objective

TA Technical Assistance
TO Thematic Objective

1. SECTION 1: Strategy for the cooperation programme's contribution to the Union Strategy for smart, sustainable and inclusive growth and the achievement of economic, social and territorial cohesion

(Reference: Article 27(1) of Regulation (EU) No 1303/2013 of the European Parliament and of the Council and point (a) of Article 8(2) of Regulation (EU) No 1299/2013 of the European Parliament and of the Council)

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

1.1.1 Description of the cooperation programme's strategy

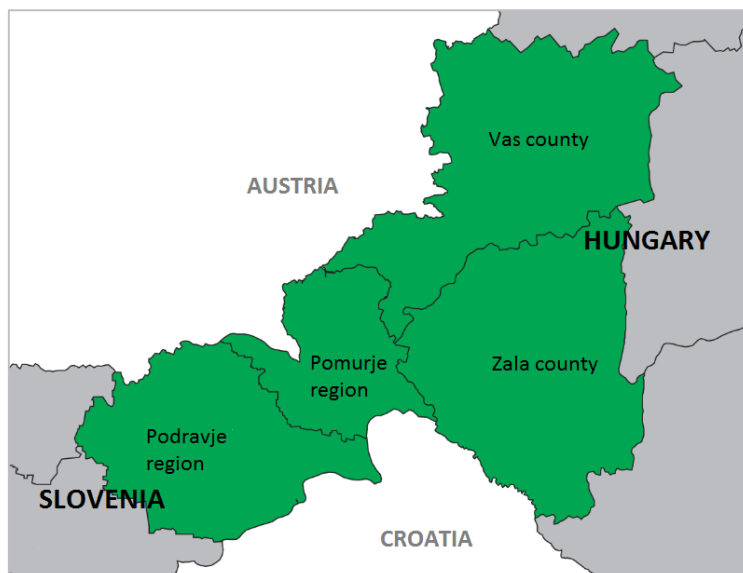
The description of the cooperation programme's strategy provides an overview of the contribution of the Slovenia-Hungary Cross-Border Cooperation Programme 2014-2020 to the delivery of the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion.

1.1.1.1. Programme area

The programme area includes the following eligible NUTS3 regions (Commission Implementing Decision 2014/388/EU):

- **Slovenian regions:** Pomurje and Podravje regions
- **Hungarian regions:** counties Zala and Vas

The territory of the Slovenia-Hungary border region covers 10,658 km² in total, 2/3rd of the area belongs to the Hungarian, 1/3rd to the Slovenian border region. The length of the Slovenian-Hungarian border is around 100 km (Schengen zone).



1. Map: Programme area

Source: own edition

1.1.1.2. Framework of the strategy

The CBC programmes within the European Territorial Cooperation programmes are special financial instruments to enhance the territorial integration of border areas through strengthened cooperation in region specific development policy fields.

In order to create attractive thematic and implementation frames for the SI-HU CBC Programme 2014-2020 specific needs and challenges identified by of the Situation Analysis, the survey, and the workshops held with stakeholders, as well as lessons learnt from the current programme have been taken into consideration. Also the European strategic and position papers, such as EU 2020, relevant macro-regional strategies (EUSDR) *country position papers*, and *national/regional level strategic frames (Partnership Agreements, regional development strategies)* have been duly considered together with the provisions of Commission Implementing Regulation no 288/2014.

Policy framework of the Programme

Europe 2020 is a 10-year strategy created and approved by the European Commission in order to boost the economic development of the EU through greater coordination of national and European policies. It aims at "smart, sustainable, inclusive growth" through five quantified main targets 1) raising the employment rate of the population aged 20–64 from the 69% to at least 75%; 2) achieving 3% investment of GDP in R&D and developing a new indicator to track innovation; 3) reducing greenhouse gas emissions by at least 20%, increasing the share of renewable energy in energy consumption to 20%, and achieving a 20% increase in energy efficiency; 4) reducing the share of early school leavers to 10% and increasing the share of the population aged 30–34 having completed tertiary education to at least 40%; and 5) reducing the number of population living below national poverty lines by 25%.

The Danube Strategy was launched in 2009 by the European Council which formally asked the European Commission to prepare an EU Strategy for the Danube Region (EUSDR) based on a commonly acknowledged importance of the Danube Basin for the EU. Since the policies and the investments the EU make in the Basin through the cohesion policy in particular have an impact on the livelihoods of 20 million citizens, creation of a targeted Danube strategy meeting the ecological, transport and socio-economic needs of the Danube Basin become a European priority. The EU Strategy for the Danube Region (EUSDR) is a macro-regional strategy adopted by the European Commission in December 2010 and endorsed by the European Council in 2011. The Strategy was jointly developed by the Commission, together with the Danube Region countries and stakeholders, in order to address common challenges together. The Strategy seeks to create synergies and coordination between existing policies and initiatives taking place across the Danube Region. The Strategy has an obvious impact on the present SI-HU CBC Programme, since both countries are participating in it.

The **Partnership Agreement 2014-2020** of Hungary defines the main national development priorities with strong thematic concentration in order to ensure alignment with the Europe 2020 strategy of smart, sustainable and inclusive growth as well as the fund specific missions pursuant to their treaty-based objectives, including economic, social and territorial cohesion. In the Partnership Agreement Hungary defines the following development priorities:

1. Improving competitiveness and global performance of the business sector
2. Increasing the level of employment through economic development, employment, education and social inclusion policies, taking into account territorial disparities
3. Enhancing energy and resource efficiency
4. Tackling social and demographic challenges, good governance
5. Local and regional economic development

Besides the Partnership Agreement, **Hungary**, in its first **National Reform Programme** aims at achieving a competitive, dynamically and sustainably growing national economy able to contribute to a "stronger Europe". The NRP is designed to give an adequate and credible response to structural problems; with special regard to low employment and high public debt that currently inhibit dynamic and sustainable growth of the Hungarian economy. Thus the main purpose of the programme is to present long-term structural reforms that will accelerate economic growth, boost employment and ensure sustainable level of public debt – all through outlined measures to support the national targets linked to the Europe 2020 Strategy focusing on employment, R&D&I, climate change and energy efficiency, education and poverty.

Regarding cross-border cooperation, in accordance with the strategic priorities of the **National Development and Regional Development Concept 2020 (OFTK)** the key areas are defined as follows: 1) increasing competitiveness and employment through cross-border cooperation; 2) promoting cross-border regional integration by strengthening the environmental, transport, water and

energy network cooperation; 3) facilitating institutional integration and improving the relationship among the cross-border communities.

Besides the National Development and Regional Development Concept 2020 (OFTK) the **Hungarian position** regarding development goals for cross-border programmes contains 5 priorities: 1) economic development (especially SME development and R&D&I development), 2) development of lacking transport links, 3) promoting employment, 4) protecting the environment and promoting energy efficiency, and 5) enhancing institutional capacity.

Zala county in its **draft Regional Development Plan for 2014-2020** outlines three main long-term objectives for the development of the county being 1) to become a well-functioning and developed economy through promoting SMEs and large multinational corporates but also by strengthening traditional industries, 2) to increase employment and social cohesion through establishing flexible education-frames supporting both future-oriented and traditional economic branches 3) to develop a "liveable" Zala county based on healthy, attractive and human centred built and natural environment, supported by state of the art institutional structure and services.

Based on the Situation Analysis and the SWOT of **Vas county**, being the part of the **Regional Development Concept** the development objectives are defined in line and in conformity with the Europe 2020 Strategy with the same focus on employment and development of labour intensive economic activities, investment in R&D and education, and strengthening special fields of regional economy such as tourism, local public services, use of renewable energy.

Most of the key areas listed by the document has clear CBC relevance and shows strong correlations with the **objectives set by the SI-HU 2014-20 CBC Programme**:

- Creating and implementing cross-border cluster-based training and employment programmes to strengthen the commitment of multinational companies towards the region in specific sectors (automotive and mechatronics industries, thermal economy, furniture)
- Promoting innovation, especially in the SME sector through creating enabling business environment including institutional frames for entrepreneurship promotion
- Supporting labour-intensive activities in agriculture and food industry especially through export promotion and launching special financial schemes for young entrepreneurs
- Strengthening regional tourism especially in leading tourism destinations by increasing competitiveness of tourism services and of the educational background, creating regional tourism brand
- Exploiting existing potential in renewable energy (thermal, bio, wind, solar)
- Developing road infrastructure (related to N-S and E-W transport corridors) and improving accessibility of major cities (labour mobility)
- Establishing and further developing micro-region-based public services (shared service centres) as a response to the "small village" structure of the county
- Developing waste-management systems by establishing the necessary infrastructure

The Partnership Agreement between Slovenia and the European Commission for the period 2014-2020 outlines the country's main areas of development, disparities as well as potential growth possibilities in order to be able to comply with the Europe 2020 Strategy for a smart, sustainable and inclusive growth as well as to correspond to all the EU Fund-specific requirements in order to establish economic, social and territorial cohesion. Moreover, the agreement serves as a basis for identifying investment priorities and expected results. The Agreement defines the following areas as being identified as key for the national economic development in the period 2014-2020: **research, development and innovation, small and medium-sized enterprises, employment**. It has been outlined that it's crucial that development is based on improved the resource efficiency, wherein such resources incorporate human, financial and natural ones. Other important aspects are the fair share of benefits and burdens from increasing employment as well as the commitment of all involved stakeholders in order to achieve the set objectives.

On national level, for Slovenia, the following strategic framework is of relevance: **Slovenian's Development Strategy 2014-2020, National Reform Programme 2013-2014, National Reform Programme 2014-2015** and the **Smart Specialization Strategy**. The **draft of the Slovenia's**

Development Strategy 2014-2020 represents the nation's fundamental strategic document describing the direction of development by 2020. The document defines four priority areas: 1) competitive economy, 2) knowledge and employment, 3) green living environment and 4) inclusive society. Within the identified priority areas the following three horizontal development primacies were identified: 1) research, development and innovation, 2) start-up, growth and development of small and medium-sized enterprises and 3) employment, education, training and competence (young and older). Slovenia will allocate 50% of the development funds available by 2020 for these areas.

The **National Reform Programme 2013-2014** as well as the **National Reform Programme 2014-2015** represent the Government's medium-term tool of priority measures and schemes, which strive to achieve the aims of the EU 2020 Strategy. The reform programme, together with the Stability Programme, defines the centrepiece and groundwork of the European Semester in order to prepare country-specific proposals to the individual Member States. As such a Member, Slovenia carries out the national economic policy in line with the guidelines and priorities set up at the EU level, wherein taking into account the current national economic and social characteristics. In order to promote economic growth and increase the prosperity of the population, both reform programmes comprise different key priorities. The National Reform Programme 2013-2014 focuses on measures within the scope of the following three pillars: 1) institutional changes to decision making processes, 2) measures for enhancing economic growth in the short-term and 3) improving competitiveness for sustainable growth in the long-term. The National Reform Programme 2014-2015 will be focusing on measures within the scope of the following three pillars: 1) financial pillar (overhauling the banking sector, corporate deleveraging and re-structuring, insolvency), 2) corporate management and privatisation (Slovenian Sovereign Holding, ongoing privatisation) and 3) fiscal pillar (Fiscal rule, Medium-term fiscal plan, Long-term sustainability of debt and consolidation).

The **Smart Specialization Strategy** represents a strategic document by which Slovenia would like to focus investments funded by the EU into R&D&I areas that will have the greatest effects on the economy as well as the society as whole (e.g. sustainable mobility, sustainable energy, sustainable building, efficient use of resources, health, food, environment, inclusive and safe society). Upon this, three prime working orientations have been identified: 1) production, processing, information and communication technology, 2) solutions for electrical and electronic components and 3) materials and technologies.

The strategic framework at NUTS 3 level for both Slovenian regions is based on the two drafts of the Regional development programmes for Podravje and Pomurje for the period 2014-2020. Podravje in its **draft Regional Development Programme for 2014-2020** outlines the following four development priorities of the region: 1) Competitiveness of the economy for growth and new jobs, including strengthening research, technological development and innovation, 2) Inclusive society and prosperity, 3) Environmental protection and the efficient use of natural resources and the transition to a low carbon economy, and 4) Sustainable tourism and rural development by increasing the competitiveness of agriculture and forestry. Each of the development priorities includes specific investment areas in order to reach the defined specific goals under each of the four development priorities.

Pomurje in its **draft Regional Development Programme for 2014-2020** outlines the following five development priorities of the region: 1) Competitiveness of the economy, 2) Sustainable tourism, 3) Development of human capital, 4) Environment, spatial planning and infrastructure, and 5) Sustainable agriculture and integrated rural development. Each of the development priorities includes specific investment areas in order to reach the defined specific goals under each of the five development priorities.

Both Regional Development Programmes for 2014-2020 are drafts and changes in terms of a more narrow focus, more specific priorities and clearer as well as more tangible results are possible based on the comments received by the different Slovenian ministries. The possible changes will be incorporated, when the final versions of the Regional Development Programmes for 2014-2020 are prepared.

Territorial analysis of the region: key facts

The detailed analysis – with factual data and evaluation findings – of the region's current social, economic, environmental situation is presented in the Situation analysis, in the following only short summaries are provided with the most important findings.

Accessibility of the region

The route network of both the Slovenian and the Hungarian regions is fairly developed, some important European corridors pass the regions, and the road infrastructure has significantly improved in the last decades. Further complex improvement of the cross-border accessibility is intended to be implemented according to the initiative of the Prime Ministers of Hungary and Slovenia (this initiative is declared by the Prime Minister's Letter of intent).

There are two important regional (international) airports (Sármellék, Maribor) operating in the region. The route E75/86 crosses the border at Rédics / Lendava, however the interoperability of the two sides of the border, especially among the smaller settlements, is poor. The Pomurje region is crossed by the Mediterranean railway corridor (Lyon-Trieste-Koper-Ljubljana-Budapest), connecting the ports Koper and Trieste with Budapest and further with Ukraine. Inland railway network connects the larger cities, however further development is required in order to reach smaller settlements as well. Direct railway connections of the main centres across the border are available only from Zalaegerszeg to Murska Sobota, Maribor, Ptuj, but with quite low frequency. Thus, the cross-border mobility of the population and the tourism flow is hampered by the poor public transport and railway interconnections and combination of the CBC area. Two long-term European bicycle routes are crossing the region, there are favourable conditions for biking, however the cycle routes are discontinuous; the connection of the single sections across the border is still unsolved.

Main challenges and needs for cooperation:

- Ensure the appropriate interoperability of the two sides of the border
- Create appropriate cross-border route network connecting the rural areas
- Improve cross-border public transportation
- Promote more sustainable (green) transportation
- Improve cross-border mobility of the inhabitants
- Improve the background tourism-related transport infrastructure, introduce special, tourist-friendly means of transportation (hiking, bicycle route, horse riding networks, water tourism)
- Ensure the extended and predictable economic operation of the regional airports
- Boost innovative transport solution and services

The above listed challenges and needs are generally stated for the programme area as important fields of cooperation (based on the main findings of the situation analysis), however narrowing the list might be necessary in line with the limited financial framework of the cross-border cooperation programme.

Socio-demographic characteristics of the region

There are 980,500 inhabitants living in the cooperation area, 55% of them in Hungary, 45% in Slovenia. The population density is around or below the national averages in all regions (only Podravje exceeds the Slovenian average).

Negative demographic trends characterise the border region: relatively high natural loss and negative demographic balance due to high migration resulting in population decline and ageing to at an accelerating rate. Life expectancy of the border region's population is higher than the Hungarian average but lower than the Slovenian one.

Multi-ethnic population contributes to the preservation and development of the diverse cultural traditions. In the area two national minorities and other ethnic groups are represented. In Pomurje there is a significant number of Hungarian minorities; the traditional settlements of them, namely Lendava, Hodoš and Dobrovnik are bilingual areas with a wide scale of minority rights (Hungarian minorities are present in Šalovci and Moravske Toplice in greater numbers as well). The German speaking ethnic group is also significant in the region; they are located mostly near the Austrian border, in Murska Sobota and in the Podravje region. In the Hungarian border area, the most significant minorities are the Slovenians and the German speaking groups thanks to the closeness of their origin countries. Slovene minority lives in the area between Raba river to the north and the Slovene border to the south, called Raba region. It's regional centre is Monošter / Szentgotthard. Larger Roma ethnic community lives in both sides of the border. Poverty and social exclusion are

crucial and highly relevant problems in the Eastern part of Europe and especially in the rural areas. It can be explained by various socio-economic facts, like poor economic background, lack of investment and employment opportunities and as a consequence migration of youth on the one hand and isolation of elderly on the other. Comparing to national averages, there are less people living in poverty in the Hungarian border region, than in the Slovenian.

In the whole cooperation area there are 13 hospitals, 9 in Vas and Zala counties and 4 in Pomurje and Podravje. The number of hospital beds is a bit different in the Slovenian and Hungarian parts of the cooperation area: while in the two Slovenian regions the average number of hospital beds per 10,000 inhabitants is 40, in Hungary the same value is 72. Despite it, the expenditure on health per capita is twice higher in Slovenia than in Hungary. Well-developed education infrastructure, improved quality of secondary education, increasing number of people with tertiary attainment are characterising the regions. The rate of early school-leavers is lower both in Hungary and Slovenia than the EU average. In the previous period (2007-2013) in both regions (and at national level as well) the share of educated population aged 25-64 increased. Elementary and secondary educational institutions operate in almost every settlement, while there are still shortcomings regarding capacity of the tertiary education institutions.

Main challenges and needs for cooperation:

- Improve the Region's population retention force, especially younger generations and skilled labour force
- Hinder the depopulation of peripheral territories
- Improve the quality of active ageing
- Foster lifelong learning as a basis for quality human resource provision
- Harmonize the labour market and the education system, ensure market-driven vocational education and vocational education to foster and utilise natural and cultural assets in the programming area

The above listed challenges and needs are generally stated for the programme area as important fields of cooperation (based on the main findings of the situation analysis), however narrowing the list might be necessary in line with the financial framework of the cross-border cooperation programme.

Economic situation of the region

The GDP (in PPS) of Hungary and Slovenia has developed in a rather similar way over the past years – the Slovenian figures being more positive – with a slow but steady growth, interrupted temporarily by the financial-economic crisis. In spite of the improving trends, there is still a substantial development gap in terms of GDP/capita between the counties of the SI-HU CBC Region and the EU-28 average (in 2011, Zala county and Pomurje region produced GDP per capita rates of less than 60% of the EU-28 average, while the figure for Vas county was 60% and 71% for Podravje).

Thanks to its specific geographic situation and historically determined developments features, agriculture, still enjoys a relatively large share compared to national and Western European figures, exceeding 7% in Vas, Zala counties and Pomurje region. The industrial sector (excluding construction) is of importance to the Gross Value Added (GVA) especially in Vas (39%), which is the most industrialized county of Hungary, followed by Zala (35%). The Slovenian regions of the Programme reach a 23-24% share, which is very close to the national average. Identically to the developed world, the service sector has the largest share of GVA, including trade, transport, tourism-related services. Public administration and community services / activities of households are below the national average in Hungary and slightly higher in the Slovenian counties.

The economic geography of the border region is bearing a strictly dual character: there are (a few) well developed economic centres (linked to R&D and education institutions and their facilities), industrialized areas with strong food-processing sector and significant – country- / Europe-wide famous – tourism destinations attracting a large number of visitors on both sides of border, while the majority of the region is clearly characterized by rural features, dominated by small villages.

Similarly to the geographic characteristics, the economic structure is also reflecting the same "dualism": the industry and service sector is concentrated in and around urban areas, while rural areas are highly agricultural profiled with low industrialization, typically with traditional industries (craft, food, production of typical regional products) and missing services. In spite of the existing industrial "work-

culture” with long traditions, based on cooperation networks, technology parks enabling concentration of entrepreneurship, knowledge and development, thanks to the peripheral geographic situation the economic basis of the region is weak and fragile, resulting in low investment attraction, thus low number of dynamically growing industrial facilities and clusters picking up workforce to a greater extent.

The innovation performance of the region is weak however it is very different on the two sides of the border: while in average the R&D capacity and R&D expenditure per capita are lower than the national & EU average, in the Slovenian counties the R&D intensity is relatively high, due to the outstanding performance of Maribor, compared to other Eastern European countries, and even to EU countries. On the contrary Hungary has a poor R&D intensity in the Western Transdanubian Region.

The lack of entrepreneurial spirit, market knowledge, the low level of internationalization and financial resources are barriers to SME development. In general the region is also characterized by low cooperation “performance”, lack of inter-company relations, low level of clusterisation.

With regard to unemployment rates, the situation of the counties differs from one another: while the unemployment rate¹ of Vas County (6.1%) is significantly below the national average (10.8%), Zala County (11.8%) faces big difficulties regarding unemployment with significantly worsening tendency. Pomurje and Podravje regions are weak among Slovenian regions: the unemployment rates of Pomurje (17.9%) and Podravje (14.8%) are the worst in the whole country. The gender-based inequality in the labour market exceeds the national data in the Slovenian region, especially in Pomurje (younger and older age groups face bigger difficulties to find a job). In general, people with lower education and less market-oriented skills have less chance to find a job than more educated people; however, people with vocational educations can find a job more easily than those with a higher education degree. There are also big territorial differences in the unemployment rates; the labour mobility (i.e. labour migrants between municipalities, working outside the municipality of residence) is high in the region.

Main challenges and needs for cooperation:

- Stop the decline in high quality workforce due to migration (brain drain)
- Decrease unemployment rate, especially in the rural areas
- Create more market opportunities for local products by branding and catalysing demand
- Improve institutional cooperation in specific fields (e.g. education, enterprise development, producing and marketing local products)
- Strengthen the linkage between research, education and economy
- Rapid activation of young people under 26 years and re-activation of those above 50 years with the help of active employment policy measures
- Facilitate entrepreneurship and start-ups
- Support the market-oriented, improved skills and knowledge of SMEs
- Foster innovation

The above listed challenges and needs are generally stated for the programme area as important fields of cooperation (based on the main findings of the situation analysis), however narrowing the list might be necessary in line with the limited financial framework of the cross-border cooperation programme.

Cultural and natural heritage, tourism

Tourism plays a very important role in the economy of the border region. According to the latest territorial data (2012), in the Slovenian-Hungarian border region more than 1.5 million tourists spent closely 5.4 million overnight stays. The length of stay was 3.45, significantly higher than the Hungarian and Slovenian national averages. The ratio of foreign overnight stays was 49% (below the national averages). The weight of the Hungarian side in the tourism flow of the border region is significantly larger: more than 2/3rd of the tourist arrivals and 72% of the overnight stays having been realized in this side of the border.

¹ Based on the economically active population aged 15+, 2012

The tourism supply of the Slovenian-Hungarian border region is mainly driven by natural values: the main tourism products are built on the outstanding natural resources of the region resulting in a portfolio characterized by “slower” close to the nature tourism, complemented by a large cultural heritage based offer. The territory is rich in thermal waters, therefore health / medical / wellness tourism are the most important tourism products attracting the largest number of tourists in both sides of the border (key destinations: Hévíz, Bük, Zalakaros, Sárvár, Moravske Toplice, Radenci, Lendava). It is a unique feature of the border region that both summer and winter holiday resorts are available here: Lake Balaton is the most popular summer holiday destination in Hungary, while for winter tourism Mariborsko Pohorje is a popular destination being one of the most famous ski resorts in Slovenia. The Slovenian side of the region belongs to the most acknowledged wine tourism destinations of Slovenia with well developed infrastructure and services. Although the Hungarian counties are not listed yet among the most famous wine regions, there are several initiatives aiming at improving the image and strengthening the economic potential of the vineyards by targeted branding.

The natural values of the border region are protected and managed by the creation of Natural Park Directorates. Active tourism has significant assets and appropriate infrastructure: hiking and biking trails (including two long-term European bicycle routes passing the region) spread across the region, there are several riding farms, angling and hunting possibilities as well. Water tourism is still less developed however there are some opportunities for it, especially in the Slovenian part of the region. Besides the natural values, some remarkable cultural heritage sites are located in the border region: monuments of the bigger cities preserve the memories of the region’s rich historical past (e.g. Keszthely, Zalaegerszeg, Szombathely, Kőszeg, Maribor, Ptuj, Murska Sobota), while the living traditions of the smaller villages provide insight into the everyday life of the countryside: rural (agro) tourism has great, but still partly underutilised potential in the region (Őrség, Göcsej). Several thematic routes have been already established in both sides of the border, especially in the Slovenian regions. The connection of these routes across the border is still missing.

The potential and the similarities of the two sides of the border region regarding tourism development provide excellent opportunities to create integrated “cross-border tourism products” and create a joint and competitive regional tourism destination. However, the border region still faces difficulties in terms of tourism turnover: the spatial concentration of tourism is very strong, there are some “core” tourism areas in both sides of the border region attracting the majority of the guest arrivals of the region, while the tourism potential of the small village areas is underutilised due to the low level of attractive products and the shortcomings of the tourism infrastructure (e.g. poor tourism services, lack of quality accommodations). Although there are initiatives aiming at connecting – first of all virtually – the single attractions (e.g. wine routes, cultural heritage route), most of the tourism values are located in a sporadic manner in the border region lacking of physical connections among them (and especially between the two sides of the border). Moreover, services offered to connect single attractions are weak or even non-existing. All this makes the creation and sales of tourism packages heavy-handed. Except the health resorts, the tourism is seasonal. Although the average length of stay at the core destinations is higher than the national averages; the majority of the settlements could attract only one-day visitors, day excursions (partly due to the lack of quality accommodations). Tourism demand has been fluctuating or stagnating for the last years drawing the attention to the need of continuous renewal and innovation in the tourism offer.

Main challenges and needs for cooperation:

- Improve the attractiveness of tourism supply in the rural, under-urbanized areas
- Develop quality tourism services and infrastructure
- Utilise the under-exploited values and potentials
- Introduce innovative tourism products and services
- Integrate the agricultural and complementary activities(e.g. tourism) in rural areas
- Increase the quality of integrated tourist products and joint promotional appearance
- Facilitate the cooperation of the actors, boost the social, economic and institutional connections
- Facilitate the involvement of local actors / inhabitants into the tourism and create cooperation networks

- Design the brand of the region and promote it as a joint tourism destination

The above listed challenges and needs are generally stated for the programme area as important fields of cooperation (based on the main findings of the situation analysis), however narrowing the list might be necessary in line with the limited financial framework of the cross-border cooperation programme.

Environmental situation of the region

The cooperation area is very rich in environmental resources and natural values: it has a diverse flora and fauna resulting in high biodiversity to be protected and managed by the National Park Directorates (Balaton Uplands National Park Directorate, Órség National Park Directorate and Goričko National Park). There are numerous protected areas and Natura 2000 areas. In addition to National Park Directorates, the nature parks contribute to the maintenance of natural heritage. The most important nature park in the cooperation area is the trilateral Goricko – Órség – Raab Nature Park, besides Írottkő Nature Park and Mariborski Otok Nature Park.

The air and water quality is relatively good in the region due to the lack of large industries or the high population density. The air quality of the region is generally corresponds to the EU average, with significant differences between rural parts and larger cities. According to different analyses the main polluters are transport and roads, especially in urban centres with heavy traffic and in poorly ventilated basins, emissions from heating appliances and industrial sources. In comparison with the previous period, significant improvements were carried out in the field of water management. Numerous municipal water treatment facilities have been constructed, and some are still being built. More than half the population's wastewater is treated in municipal or communal facilities. Besides the traditional use of groundwater in drinking water supply, abstraction of groundwater for industry and for irrigation has been gradually increasing, and nowadays it exceeds the amount used from surface water. One of the serious consequences of the climate change on the countries is that less water is available compared to the increased water demand, especially for irrigation. Flood and drought have more and more visible and tangible impacts calling for more coordinated mitigation in the future. The border region is rich at thermal and mineral waters.

Both countries are strongly energy-dependent, but the region is greener and cleaner than the national averages with high variety of renewable energy sources (wind, solar, geothermic, biomass, biogas and hydro-power). In the "renewable energy consumption balance", the share of biofuels is more than significant with about 50-60%. It is interesting to note that while the EU wind energy consumption is quite impressive and growing fast, neither in Hungary nor in Slovenia it is shown among the most significant sources of energy.

Main challenges and needs:

- Increased and coordinated utilization of renewable sources (based on integrated approaches)
- Strengthen the cooperation in the field of environmental protection
- Strengthen energy self-sufficiency through increasing the share of renewable energy sources in the total energy production / consumption
- Protect natural biodiversity with harmonised regulations, measures and cross-border cooperation
- Utilise natural values as tourism product (to a sustainable extent)
- Tackle the negative effects of climate change
- Reconcile various interests in the area (agriculture, tourism, nature conservation and cultural heritage)

The above listed challenges and needs are generally stated for the programme area as important fields of cooperation (based on the main findings of the situation analysis), however narrowing the list might be necessary in line with the limited financial framework of the cross-border cooperation programme.

Lessons learnt from the current programme

Altogether 43 projects were implemented in the course of the 2007-2013 Programme, within the frame of the two Priority Axis, in 2 calls for proposals. The implementation of the Programme shows a pretty high concentration both in terms of the size of the projects and their thematic focus. The average project size of both calls was approximately 800.000 EUR, while the thematic areas addressed by the big majority of projects are: tourism/cultural heritage/cultural cooperation (around 20% of approved projects), environment/energy/natural heritage (around 25% of approved projects), e-service development (around 15% of approved projects). On the other hand there was relatively low interest towards certain areas e.g. transport. Participants of stakeholder workshops have also emphasised tourism as a success area producing both big projects strengthening European identity of the region through improved awareness raising and small projects with people-to-people actions in culture and tourism. As it reflected from the Situation Analysis and the opinion of stakeholders, tourism could be one of the economic drivers of the CBC region for the 2014-2020 period especially in remote rural areas. Development objectives can be built on results achieved by the current programme in synergy with other important goals such as preservation and further exploitation of natural and cultural heritage with full respect towards environment.

Other important lessons learnt from the current programme underpin the need for more local/regional cooperation on institutional and also on people to people level.

It is a common understanding of stakeholders that the Programme made an important step forward in building up a comprehensive knowledge basis about the cross-border region through extended networks operating in each important thematic fields. This mutual knowledge could be a good basis to be capitalized on in the preparation of the new Programme.

1.1.1.2. Strategy of the Programme area

Mission of the SI-HU CBC area

The mission of the Slovenia-Hungary CBC area is to be a socially and environmentally sustainable joint “green tourism” region providing a high quality living perspective for its inhabitants not only in the core zones and their agglomerations but also in remote rural areas. Sustainable utilisation of the region’s natural and cultural values offers wider and spatially more balanced opportunities for tourism development, providing workplaces available locally, fostering entrepreneurship and resulting in higher and more balanced economic performance and standard of living across the region. High-quality natural and built environment and a wide range of locally available services contribute to the wellbeing of the inhabitants and to a good quality of life within the region. Widespread social, economic and institutional connections ensure the rational and sustainable utilisation of the resources, skills and capacities and create a strong sense of common regional identity based on tolerance and mutual understanding.

Objectives of the SI-HU CBC Programme 2014-2020

In order to fulfil the above mission, the main aims of the SI-HU CBC Programme 2014-2020 are the following:

The **overall objective** of the Programme is to contribute to an improved standard of living and quality of life through measures enhancing the joint sustainable utilisation of the available natural and cultural resources and accelerating bilateral relations.

The **specific aims** are the following:

- Better usage of under-exploited natural and cultural values through cooperation in tourism (as the region’s key competitive, labour-intensive sector)
- Create/strengthen local economy (workplaces available locally, new enterprises, entrepreneurship) in rural, under-urbanized areas through tourism development by interlinking remote cultural and natural heritage spots with larger tourism destinations
- Improve the wellbeing of the population through creating wide range of locally available, high-quality recreation, leisure services
- Further develop the “green and liveable” region brand of the CBC area through maintaining natural and cultural resources and improving social, economic and institutional connections

Programme strategy 2014-2020

During the elaboration of the cross-border region's strategy the following main principles were taken into account:

- **Relevance:** the development directions should be built on the main characteristics and assets of the region, taking into account the aspects of sustainability as well. The Programme is dealing with those areas which are directly related to the existing values and underutilised potentials deeply rooted in the traditions on both sides, and with critically important issues to be tackled/opportunities to be utilized for the region's sustainable development (underpinned by the policy framework).
- **CBC dimension:** the selected priority areas should have a strong cross-border dimension; the added value of cross-border cooperation in the respective fields is outstandingly beneficial.
- **Results:** development of the selected priority areas directly affects the social, economic or environmental situation of the border region, they can stimulate real changes and opportunities in the area and deliver practical outcomes and tangible results
- **Involvement of the interested actors:** the priority areas to be tackled should be in line with the needs and interests of the relevant actors in order to boost the involvement of applicants in an appropriate and balanced number and thus to ensure a good absorption rate of funds.
- **Concentration of financial resources:** in order to achieve tangible results, the concentration of resources is really important.

According to these principles and also in line with the findings of the situation analysis and the most important challenges and needs identified by the stakeholders of the Programme, the main pillars of the 2014-2020 Programme strategy are the following:

Pillar 1: Economic / tourism development

Economic development is extremely important in the region as a tool to decrease unemployment and stop the migration of high quality workforce. The lack of raw materials and the peripheral situation of rural areas (highly agricultural profiled rural areas with less developed infrastructure and only some major industrial zones) hamper the attractiveness of the region for larger multinational investments. There are only a few larger enterprises operating in the region with high labour-force needs. Therefore the development of the regional economy should be driven by less raw material and investment intensive sectors, based on regional competitive advantages.

In line with the above, the aim is to strengthen the local economy, especially in rural, under-urbanized areas. The characteristics of the region, the values and potentials of rural (small village) areas provide a great opportunity for the **development of tourism** as the region's key economic sector:

- Tourism has great traditions in the region, the endowments – natural and cultural sites, existing high standard attractions and hidden values – and the interested actors provide a solid base for tourism development
- Tourism flow is naturally borderless, thus its cross-border dimension is genially strong
- Tourism is a labour-intensive sector providing workplaces for people with lower skills as well (in line with labour market demand in the rural areas)
- Tourism provides great opportunities for self-employment, social enterprises in the rural areas and additional income-earning opportunities for individuals as well (e.g. service providers, private accommodations, sales of local products, handicrafts)
- Tourism can be a catalyser for generating demand for other sectors (e.g. agricultural products, catering, transportation)
- Tourism development can have a prompt and direct impact on the social, labour market, thus the economic situation of the whole region
- The financial resources available in the next programme period are appropriate for the development of this sector, since even with soft measures a lot can be one.

Consequently, the main aim is to improve the attractiveness and competitiveness of tourism of the cross-border region as sustainable destination close to the nature and traditions, especially in rural areas in order to decrease spatial inequalities in the tourism turnover.

The main development areas:

- Rural tourism (with folklore elements) – utilisation of the local (agricultural, food, gastronomy or handicraft) products, creative industry, touristic utilisation of farms, dwelling houses, introduction of production process, lifestyle, folk culture and traditions etc.
- Wine and gastronomy
- Active tourism – hiking and biking, horse riding, water tours, etc.
- Ecotourism

The main fields of cross-border cooperation:

- Create a proper background physical and service infrastructure for tourism: establish the basic “architecture”, those elements which are not profitable enough for the private sector, but which are the ‘building stones” for receiving quality tourists, e.g. development of hiking or bicycle routes, signs, basic tourism infrastructure elements (e.g. resting places, children playground), “public” attractions (cultural heritage related buildings, areas, exhibition spaces, educational paths and visitor centres at natural protected sites, local markets, and related events, animations), regional information services, etc. (private service providers can build on these elements)
- Provide help for the stakeholders (private actors, service providers, self-employed people, social enterprises, NGOs) to improve their service quality, effectiveness and competitiveness (e.g. trainings, study trips, methodologies, qualification system, business models, shared information service facilities and other supports)
- Facilitate cooperation of the different actors, e.g. motivate clustering, regional cooperation of various tourism segments
- Improve visibility, branding of the region – e.g. regional cooperation in tourism management, regional trademark and quality management systems, common branding and promotion, attractiveness inventory, common strategies
- Support services for development and crosslinking of remote cultural and natural heritage spots with larger tourism destinations

Pillar 2: Accessibility and transportation

The development of cross-border accessibility and interoperability is an important area for the cross-border cooperation programme, as

- Its relevance is high, as smooth interoperability is vital to support the joint development of the region, the physical connections of the region should be improved in line with the tourism development needs, i.e. especially the connection of the single tourism attractions / areas should be ensured.
- The cross-border dimension is clear.
- Infrastructure-type developments directly affect the social and economic situation of the border region with visible and tangible results.
- The development areas identified are in line with the needs and interests of the relevant actors.

Although the development needs are highly relevant and justified, the budget frames of the **CBC Programme cannot provide appropriate financial support for larger infrastructure-type projects; therefore accessibility should be addressed in a “narrowed down scope” directly linked to the main development directions of the Programme area, e.g.:**

- Develop the most important route connections as part of integrated tourism development projects

- Develop hiking, cycling routes
- Promote mobility services linked to tourism activities (e.g. rental facilities, passenger-friendly mobility services)
- Harmonise public transport schedules, improve the transport information systems
- Prepare (plan) infrastructure developments to be financed by other transnational / national / EU programmes (plans, concepts, preparatory studies)

Pillar 3: Environmental protection

Environment is a highlighted area in the EU policy context for the 2014-2020 programming period, and a key cooperation area for the cross-border region as well.

- The cooperation area is rich in environmental resources and natural values; therefore there is a real need for protection of the environment and the environment conscious utilisation of the potentials.
- Environmental issues are calling in most cases for international cooperation due to the borderless character of the issues to be solved, however in case of energy efficiency and renewable energy the need for cross-border cooperation is also evident.
- There are prepared and relevant actors operating in the fields of environmental protection in the region, several initiatives have already been launched and implemented.
- Environmental risk prevention through utilisation of cross-border cooperation

However, due to the limited amount of available financial resources of the 2014-2020 SI-HU CBC Programme and also the more strict concentration requirements, **there is no room for major investment-type developments related to environment and energy issues.**

Based on the outstanding results achieved in tourism by the previous CBC Programme, the sustainable utilisation of the natural values can be incorporated in the tourism development priority axis.

Institutional cooperation in this field can also provide strong and tangible added value to the cross-border programme (e.g. establishment of shared service centres; joint information services and monitoring systems).

Main fields of cross-border cooperation to be incorporated into the “tourism” driven priority axis or into the institutional cooperation:

- Sustainable utilisation of the natural resources as elements of the tourism supply
- Institutional cooperation in the field of environmental protection and renewable energy
- Institutional cooperation in the harmonisation of regulations, measures
- Institutional cooperation in tackling climate change impacts

Pillar 4: Social development

The negative demographic trends of the border region (relatively high natural loss and negative demographic balance due to high migration, population decline and ageing), the migration of qualified people (brain drain), the lack of harmonisation of economy and education urge a solution, in line with the EU 2020 strategy.

Demographic changes and other societal challenges are relevant fields for improvement on both sides of the border in order to improve the wellbeing of inhabitants and to increase the population retention force of the region.

However, the societal problems deeply rooted in the social-economic situation require complex solutions which can be hardly financed by the available financial resources of the 2014-2020 CBC Programme. Moreover, social problems usually require local solutions. Therefore the scope of the cross-border cooperation and the tangibility of the results are limited.

Consequently, the social challenges and needs are recommended to be tackled as a specific area of institutional cooperation, as in this field a strong added value can be provided to the cross-border

programme (e.g. establishment of shared service centres; joint information services and monitoring systems, joint surveys and researches, methodologies).

Tourism development can indirectly influence the social situation of the cross-border region (through creation of jobs, utilisation of cultural values, bringing people living on the two sides of the border closer to one another, etc.).

Main fields of cross-border cooperation:

- Utilisation of cultural and natural resources for social inclusion
- Institutional cooperation to tackle different social problems, challenges (common researches, methodologies, action plans, etc.)
- People to people actions that support cross-border linking and generates innovative services

1.1.2.Strategic response by the programme to contribute to Europe 2020

In 2010, the European Union and its Member States launched the Europe 2020 strategy as a ten year overall strategic framework based on three mutually reinforcing priorities: smart, sustainable and inclusive growth.

The above priorities are reflected and quantified through five EU headline targets covering: employment, R&D, Climate change, Education with special focus on early school leaving and Poverty and social exclusion.

The SI–HU CBC Programme directly contributes to the Europe 2020 strategy goals through its thematic objectives, investment priorities and specific objectives fully in line with the EU 2020 (Article 9, CPR) and meeting the requirement for thematic concentration (Art. 6 ETC Reg.).

- Smart growth: knowledge and innovation based tourism development (new, high quality products and services with cutting-edge technologies; bilateral cooperation); knowledge sharing in cooperation actions
- Sustainable growth: preservation and sustainable utilisation of cultural and natural values and resources by promoting resource efficient, greener and more competitive tourism development (green tourism brand)
- Inclusive growth: tourism development (as labour intensive economic sector) in remote areas delivering social and territorial cohesion

Priority axes chosen are set out to address the most important challenges reflecting the specific characteristics of the region. Also the Programme's "ambitions" are reasonable, limited to feasible achievements, through synergies with other mainstream – national and regional – programmes.

1.1.3.Justification for the choice of thematic objectives and corresponding investment priorities

1.1.3.1. Possible priority areas of the Programme 2014-2020

Based on the mission stated, the overall objective of the Programme is to become an attractive area for living, working, investing, undertaking through better capitalizing on existing natural and cultural assets in tourism catalysing the development of the whole region on one hand and on the other jointly addressing those common problems which call for common solutions at CBC level.

Because of the relatively small size of the region and the limited funding frames, the Programme intended to achieve a high thematic and financial concentration, also taking into consideration that cross-border programmes have specific role in territorial cohesion as additional financial instruments of mainstream (national) programmes in the development of CBC areas. Consequently, possible thematic objectives and IP's were carefully selected by the Consultants offering just a large thematic and activity frame for the final choice to be done by the TF.

Programme will contribute to Europe 2020 through investing in the following possible thematic objectives (TOs) which are:

- TO 6
- TO 11

By selecting just 2 TO's, the programme shows a high thematic concentration also necessary because of the rather small size of the Programme. This is fully in line with the ETC Regulation, according to which at least 80% of the ERDF finances shall be concentrated on a maximum of four thematic objectives.

The cooperation programme addresses the following two priority axes:

Priority axis 1: ATTRACTIVE REGION

The priority axis includes one investment priority 6c corresponding to the thematic objective 6.

The region has a high potential in natural and cultural assets that creates a strong bases for sustainable development of tourism and related activities. However the region is also featured by 'dual' characteristics: certain sub-regions (especially spa and thermal ones) are well developed with outstanding performance compared to national and EU standards, other areas are significantly lagging behind their potentials, especially (rural and natural areas, protected areas).

Possible key areas of cooperation:

- Create the proper background physical and service infrastructure for tourism
- Provide help for the stakeholders to improve their tourism service quality, effectiveness and competitiveness
- Facilitate cooperation of the different actors
- Improve visibility, branding of the region
- Support services for development and crosslinking of remote cultural and natural heritage spots with larger tourism destinations

Priority axis 2: COOPERATIVE REGION

The priority axis can include one TO with one single investment priority (11).

Strengthening cross-border cooperation of the stakeholders, and thereby contributing to increased respect, tolerance and mutual understanding is one of the key targets of the EU. Efficient cooperation of the actors in the two sides of the border can provide strong added value to the development of the region, as common problems can be tackled jointly with greater impacts and effectiveness resulting in a better and stronger cross-border identity.

According to the concentration principles, some key areas of cooperation should be selected in order to achieve results that are more tangible.

Possible key areas of cooperation:

- Societal challenges, first of all demographic issues, e.g. migration, ageing, health status
- Cross-border accessibility and interoperability (soft measures, collaboration)
- Harmonisation of labour market needs with education and vocational training with special focus on youth and all deprived groups
- Development of new services that support linking of remote natural and cultural areas with larger turistical agglomerates

1.2 Justification for the choice of thematic objectives and corresponding investment priorities, having regard to the Common Strategic Framework, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation

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

Selected thematic objective	Selected investment priority	Justification for selection
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Selected thematic objective	Selected investment priority	Justification for selection
TO6	IP6c	<ul style="list-style-type: none"> • Tourism is a key endogenous sector for the development of the region, bringing a clear socio-economic added value for the border region. • The tourism offer of the region is primarily natural value-based with complementary cultural elements, the cooperation area is very rich in environmental resources and natural values (it has a diverse flora and fauna resulting in high biodiversity to be protected), therefore the protection and utilisation of the natural and cultural values is extremely important. • Sustainable tourism development is in line with the challenged and needs of the border region with clear cross-border dimension. • Taking into account the financial allocation of the programme, only small-scale infrastructure developments can be supported which fits to the development initiatives of the border region's tourism close to the nature. • Tourism can contribute to the exploiting of job creation potential of the other key sectors of the region (e.g. agriculture). • Therefore the investment priority can form the adequate basis for the definition of specific objectives within the Programme that take into account the needs and characteristics of the Programme area.
TO11	IP11	<ul style="list-style-type: none"> • Strengthening cross-border cooperation of the stakeholders, and thereby contributing to increased respect, tolerance and mutual understanding is one of the key targets of the EU and ETC. • Efficient cooperation of the actors of the two sides of the border can provide strong added value to the development of the region, as common problems can be tackled jointly with greater impacts and effectiveness. • The selected TO / IP provides appropriate answers for the identified challenges and needs, as it targets an increased, harmonised collaboration regarding the most important policy fields of the region.

1.3 Justification of the financial allocation

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

To be further elaborated

Table 2. Overview of the programme investment strategy

PA	ERDF support - EUR	Proportion (%) of the total Union support to the CP			TO	IP	Specific objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective
		ERDF	ENI	IPA				
1	10.000.000	100	0	0	6	6c	1.1 To increase attractiveness through the diversification and cross-border integration of the touristic offer	R 1.1 To be further elaborated
2	3.295.015	100	0	0	11	11	2.1 Further deepen and expand the existing cross-border cooperation between institutions and organizations from the two sides of the border	R 2.1 To be further elaborated
3 TA	1.500.000	100	0	0	-	-	3.1 Contribution to the efficient implementation of the Cooperation Programme	Not applicable

2. SECTION 2: PRIORITY AXES

(Reference: points (b) and (c) of Article 8(2) of Regulation (EU) No 1299/2013)

2.A. Description of the priority axes other than technical Assistance

(Reference: point (b) of Article 8(2) of Regulation (EU) No 1299/2013)

2.A.1/P1 Priority Axis 1

(repeated for each priority axis)

ID of the priority axis	1
Title of the priority axis	Attractive Region

<input type="checkbox"/>	The entire priority axis will be implemented solely through financial instruments	
<input type="checkbox"/>	The entire priority axis will be implemented solely through financial instruments set up at Union level	
<input type="checkbox"/>	The entire priority axis will be implemented through community-led local development	

2.A.2/P1 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

(Reference: Article 8(1) of Regulation (EU) No 1299/2013)

Not applicable

2.A.3/P1 Fund and calculation basis for Union Support

(repeated for each Fund under the priority axis)

Fund	ERDF
Calculation basis (total eligible expenditure or eligible public expenditure)	Total eligible expenditure

2.A.4/P1/6c Investment priority 6c

(repeated for each investment priority under the priority axis)

(Reference: point b(i) of Article 8(2) of Regulation (EU) No 1299/2013)

Investment	6c: Conserving, protecting, promoting and developing natural and cultural heritage.
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priority	
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2.A.5/P1/6c Specific objectives corresponding to the investment priority and expected results

(repeated for each specific objective under the investment priority)

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	1.1
Specific objective	To increase attractiveness through the diversification and cross-border integration of the touristic offer in the programme area, based on the protection and development of natural and cultural heritage.
The results that the Member States seek to achieve with Union Support	The programme aims to reach a higher level of development of sustainable forms of tourism in the remote, rural regions of the programme area , while building on the experience and attractiveness of the important tourist centres located here.

Table 3/P1/1.1: Programme-specific result indicators (by specific objective)

(Reference: point (b)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value	Source of data	Frequency of reporting
1.1	To be further elaborated	Number	?	2014	?		2018, 2020, 2023

2.A.6/P1/6c Actions to be supported under the investment priority (by investment priority)

2.A.6.1/P1/6c *A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries*

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Investment priority	6c
The following <u>indicative</u> examples of actions may be considered to contribute to specific objective No 1.1	
<ul style="list-style-type: none"> • Trainings and capacity building for the local entrepreneurs and/or employees in developing relevant skills related to tourism (language courses, study visits, trainings, 	

conferences, etc.)

- Jointly developed plans and strategies for the sustainable utilization of cultural and natural heritage
- Small scale investments regarding sustainable utilization of cultural and natural heritage and promotion of environmental friendly technologies
- Small scale renovation / revitalisation and conservation of cultural and natural heritage, as part of jointly developed touristic products, in order to ensure their preservation and for increasing their touristic value
- Improving accessibility to cultural and natural heritage sites as part of joint tourism measures
- Joint awareness raising for the touristic potential of the local natural and cultural resources (dödölle, pumpkin seeds oil, NATURA2000 sites etc.) on both sides of the border,
- Regional cross-border cooperation in tourism destination management, development of regional trademark and quality management systems, common branding and promotion, joint organization and participation in fairs and exhibitions, transfer of know-how, etc.
- Support for diversification of quality cross-border tourism services offered in the area – promotion and support for bike tourism and related services (development and posting of cross-border thematic biking routes, biking tourism related services – as bike rentals etc.), for hiking, equestrian and water tourism (designation and promotion of cross-border thematic routes, service development), and complementary services to wine, gastronomy, cultural and health tourism
- Joint development of new, innovative touristic products and services (accommodation and catering services, development of joint standards of quality in touristic services, etc.)
- Improvement of the usage of modern (communication) tools and promotion activities
- Establishment of clusters oriented towards the creation and development of sustainable tourist products and services

Main types of beneficiaries supported under the investment priority

- Local, regional public and state public administrations/institutions, and their organizations, such as national/natural park administrations, forest authorities, cultural institutions, museums, local action groups, regional/national road authorities
- NGOs, non-profit organisations, tourism associations, tourism destination management organizations
- Chambers of commerce
- EGTCs

Main target groups

- SMEs and local communities from the programme area
- tourists

Specific territories targeted under the investment priority

N/R

2.A.6.2/P1/6c Guiding principles for the selection of operations*(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)*

Investment priority	6c
<p>During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this Priority Axis:</p> <ul style="list-style-type: none"> • The interventions shall focus on developing the touristic sector in territories that are less developed in this sense, which don't form already existing main turistical centers, and their overnight stays/year is below 20.000. • The small infrastructural elements of the projects must be connected to development of touristic products within areas with low touristic activity • Projects shall have a positive effect on the number of visitors in the programme area 	

2.A.6.3/P1/6c Planned use of financial instruments (where appropriate)*(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)*

Investment priority	6c
Planned use of financial instruments	Not applicable
Not applicable	

2.A.6.4/P1/6c Planned use of major projects (where appropriate)*(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)*

Investment priority	6c
Not applicable	

2.A.6.5/P1/6c Output indicators (by investment priority)*(Reference: point (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013)***Table 3. Table 4/P1/1b: Common and programme-specific output indicators**

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
6c.1	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions (EU)	Number		Monitoring system	Annually

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
6c.2	Number of cultural and natural sites with improved situation in terms of sustainable touristical valorization (<i>P</i>)	Number		Monitoring system	Annually
6c.3	Number of joint cross-border tourist products / services newly developed (<i>P</i>)	Number		Monitoring system	Annually
6c.4	Number of persons trained on tourism related skills (<i>P</i>)	Person		Monitoring system	Annually
6c.5	Total length of newly built roads / Total length of reconstructed or upgraded roads (<i>EU</i>)	km		Monitoring system	Annually

(EU): EU common indicator (P): Programme specific indicator

2.A.7/P1 Performance framework*(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)***Table 4. Table 5/P1: Performance framework of the priority axis**

Priority axis	Indicator type (Key implementation step, financial, output or where appropriate result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of indicator, where appropriate
1	Financial indicator	P1.1	Amount of certified expenditure for Priority Axis 1	Euro	3,220,000.00	11,764,705.88	Monitoring system	
1	Output indicator	6c.1	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Person			Monitoring system	The common output indicator will reveal the effectiveness of the activities aimed at developing the touristic potential of the programme area.
1	Output indicator	6c.2	Number of cultural and natural sites with improved situation in terms of sustainable touristic valorization	Number			Monitoring system	The indicator will provide information about the number of protected and preserved elements of cultural and natural heritage which serve as a basis for the touristic promotion of the programme area
1	Output indicator	6c.3	Number of joint cross-border tourist products/services newly developed	Number			Monitoring system	The indicator will measure the level of diversification of the touristic offer in the eligible area.

Priority axis	Indicator type (Key implementation step, financial, output or where appropriate result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of indicator, where appropriate
1	Output indicator	6c.5	Total length of newly built roads / Total length of reconstructed or upgraded roads	km			Monitoring system	Besides improving the accessibility of the area for touristic purposes, the development of existing road infrastructure (especially bicycle roads) will contribute to the diversification of existing

2.A.8/P1 Categories of intervention*(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)***Napaka! Vira sklicevanja ni bilo mogoče najti.-Napaka! Vira sklicevanja ni bilo mogoče najti./P1:**
Categories of intervention**Table 5. Dimension 1 Intervention field**

Priority axis	Code	Amount (EUR)
1	032 Local access roads (new build)	1.000.000,00
1	034 Other reconstructed or improved road (motorway, national, regional or local)	
1	090 Cycle tracks and foot paths	1.500.000,00
1	091 Development and promotion of the tourism potential of natural areas	7.500.000,00
1	093 Development and promotion of public tourism services	
1	094 Protection, development and promotion of public cultural and heritage assets	
1	095 Development and promoting of public cultural and heritage services	

Table 6. Dimension 2 Form of finance

Priority axis	Code	Amount (EUR)
1	01 non-repayable grant	10,000,000

Table 7. Dimension 3 Territory Type

Priority axis	Code	Amount (EUR)
1	01 Large Urban areas (densely populated > 50 000 population)	2,000,000.00
1	02 Small Urban areas (intermediate density > 5000 population)	3,000,000.00
1	03 Rural areas (thinly populated)	5,000,000.00

Table 8. Dimension 6 Territorial delivery mechanisms

Priority axis	Code	Amount (EUR)
1	00 Not applicable	

2.A.9/P1 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	1
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Not applicable

2.A.1/P2 Priority Axis 2

(repeated for each priority axis)

ID of the priority axis	2
Title of the priority axis	COOPERATIVE REGION

<input type="checkbox"/>	The entire priority axis will be implemented solely through financial instruments	
<input type="checkbox"/>	The entire priority axis will be implemented solely through financial instruments set up at Union level	
<input type="checkbox"/>	The entire priority axis will be implemented through community-led local development	

2.A.2/P2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

(Reference: Article 8(1) of Regulation (EU) No 1299/2013)

Not applicable**2.A.3/P2 Fund and calculation basis for Union Support**

(repeated for each Fund under the priority axis)

Fund	ERDF
Calculation basis (total eligible expenditure or eligible public expenditure)	Total eligible expenditure

2.A.4/P2/11 Investment priority 11

(repeated for each investment priority under the priority axis)

(Reference: point b(i) of Article 8(2) of Regulation (EU) No 1299/2013)

Investment priority	11: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions
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2.A.5/P2/11 Specific objectives corresponding to the investment priority and expected results

(repeated for each specific objective under the investment priority)

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	2.1
Specific objective	To increase the capacity for cooperation in order to reach a higher level of maturity in cross-border relations

The results that the Member States seek to achieve with Union Support

Further deepen and expand the existing cross-border cooperation between institutions and organizations from the two sides of the border, by increasing the institutional capacity of the stakeholders in delivering better quality public services and exploit the potentials of cross-border relations.

Table 9. Table 3/P2/2.1: Programme-specific result indicators (by specific objective)

(Reference: point (b)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value	Source of data	Frequency of reporting
2.1	To be further elaborated			2014			2018, 2020, 2023

2.A.6/P2/11 Actions to be supported under the investment priority (by investment priority)

2.A.6.1/P2/11 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

<i>Investment priority</i>	11
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Indicative list of actions to be supported under the investment priority

- Exchange of experience, empowerment, advocacy and capacity building for cross-border cooperation in different fields, as:
 - environmental protection, energy efficiency, renewable energy, accessibility,
 - social services (social innovation), healthcare,
 - urban management and planning, regional development, accessibility – harmonization of cross-border public transport
 - civil protection and common risk prevention and management
 - cultural cooperation
- Exchange of know-how and best practices, institutional cooperation in order to improve the cross-border mobility of the work force in the programme area and increase the access to employment and training (e.g.: language courses)
- Collaborations on the level of civil society, exchange of best practices and capacity building of NGOs (workshops, seminars etc.), promotion of voluntary activities
- Cross-border cooperation in the field of education, exchange of experiences; vocational trainings, vocational orientation, lifelong learning, education for people with special needs etc.

Main types of beneficiaries supported under the investment priority

- Local, regional and state level public administrations/institutions and their organizations
- NGOs
- Educational institutions, including rehabilitation centres
- Healthcare institutions, providers of social services
- Labour force offices, chambers of commerce
- Cultural institutions and organizations
- Stakeholders in the field of risk prevention and emergency management
- EGTCs

Main target groups

- local, regional and state level public administrations/institutions
- local communities
- general public

Specific territories targeted under the investment priority

No specific focus areas are defined. The entire programme area is eligible.

2.A.6.2/P2/11 Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Investment priority

11

During the selection procedure, besides the criteria applied for project assessment, the following principles will be taken into consideration under this Priority Axis:

- projects shall clearly aim at developing the institutional capacity of the partners involved.
- in case they are planned, small scale investments shall be strongly justified, bring a clear added value, and may not constitute the main objective of the projects

(repeated for each investment priority under the priority axis)

(Reference: point b(i) of Article 8(2) of Regulation (EU) No 1299/2013)

2.A.6.3/P2/11 Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Investment priority	11
Planned use of financial instruments	Not applicable
Not applicable	

2.A.6.4/P2/11 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Investment priority	11
Not applicable	

2.A.6.5/P2/11 Output indicators (by investment priority)

(Reference: point (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 10. Table 4/P2/11: Common and programme-specific output indicators

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
11.1	Number of institutions/organizations involved in new cross-border initiatives	Number		Monitoring system	Annually
11.2	Number of persons representing institutions and organizations from the programme area participating in cross-border capacity building activities	Persons		Monitoring system	Annually

(EU): EU common indicator (P): Programme specific indicator

2.A.7/P2 Performance framework*(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)***Table 11. Table 5/P2: Performance framework of the priority axis**

Priority axis	Indicator type (Key implementation step, financial, output or where appropriate result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of indicator, where appropriate
2	Financial indicator	P2.1	Amount of certified expenditure for Priority Axis 2	EURO	1,044,894.11	3,817,664.71	Monitoring system	
2	Output indicator	11.1	Number of institutions/organizations involved in cross-border cooperation	Number			Monitoring system	The indicator will measure the number of institutions and organizations engaged in joint activities, which will lead to an increased capacity to better respond to the local needs
2	Output indicator	11.2	Number of representatives of institutions and organizations from the programme area participating in cross-border capacity building activities	Number			Monitoring system	The indicator will reveal how many individuals are participating in cross-border activities oriented towards capacity building, thus potentially contributing to the enhancement of the cross-border cooperation on organizational level.

2.A.8/P2 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Napaka! Vira sklicevanja ni bilo mogoče najti.-Napaka! Vira sklicevanja ni bilo mogoče najti./P2:
Categories of intervention

Table 12. Dimension 1 Intervention field

Priority axis	Code	Amount (EUR)
2	119. Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	1,647,507.50
2	120. Capacity building for stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at national, regional and local level	1,647,507.50

Table 13. Dimension 2 Form of finance

Priority axis	Code	Amount (EUR)
2	01 non-repayable grant	3,295,015.00

Table 14. Dimension 3 Territory Type

Priority axis	Code	Amount (EUR)
2	01 Large Urban areas (densely populated > 50 000 population)	1,647,507.50
2	02 Small Urban areas (intermediate density > 5000 population)	988,504.50
2	03 Rural areas (thinly populated)	659,003.00

Table 15. Dimension 6 Territorial delivery mechanisms

Priority axis	Code	Amount (EUR)
2	00 Not applicable	

2.A.9/P2 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	2
Not applicable	

2.B. Description of the priority axes for technical assistance

(Reference: point (c) of Article 8(2) of Regulation (EU) No 1299/2013)

2.B.1/P3 Priority Axis 3

(repeated for each priority axis)

ID of the priority axis	3
Title of the priority axis	Technical Assistance

2.B.2/P3 Fund and calculation basis for Union Support

(repeated for each Fund under the priority axis)

Fund	ERDF
Calculation basis (total eligible expenditure or eligible public expenditure)	Eligible public expenditure

2.B.3/P3 Specific objectives and expected results

(repeated for each specific objective under the investment priority)

(Reference: points (c)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	3.1
Specific objective	Contribution to the efficient implementation of the Cooperation Programme.
The results that the Member States seek to achieve with Union Support	The Priority Axis will support the sound and efficient implementation of the Cooperation Programme. In this sense, it will ensure the proper operation of the programme management structures in delivering their specific tasks.

Table 16. Table 3/P3/3.1: Programme-specific result indicators (by specific objective)

(Reference: point (c)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value	Source of data	Frequency of reporting
	Not applicable						

2.B.5/P3 Actions to be supported and their expected contribution to the specific objectives

(Reference: point (c)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

2.B.3.1/P3 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (c)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority Axis	3
<ul style="list-style-type: none"> Management and implementation of the programme: setting-up and operation of the Joint 	

Secretariat, activities related to the operation of the Managing Authority, Certifying Authority, and Audit Authority, organization of the Monitoring Committee meetings, preparation of annual reports etc.;

- Monitoring, control and audit activities: development and maintenance of the monitoring system, monitoring visits related to project implementation, specific activities of first level control, audit activities;
- Communication and information activities as programme level communication events and actions, information events for potential beneficiaries;
- Evaluation, studies, preparation of the future cooperation programme, activities related to the closure of the previous programme (Article 59 of CPR provides this opportunity)

2.B.5.2/P3 Output indicators expected to contribute to results (by priority axis)

(Reference: point (c)(iv) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 17. /P3: Output indicators

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
P3.1	Number of successfully implemented projects	Number	36	Monitoring system	Annually
P3.2	Number of organized programme events	Number	14	Monitoring system	Annually
P3.3	Number of staff involved in the implementation of the Cooperation Programme	Number		Monitoring system	Annually

(EU): EU common indicator (P): Programme specific indicator

2.B.6/P3 Categories of intervention

(Reference: point (c)(v) of Article 8(2) of Regulation (EU) No 1299/2013)

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of Union support

Napaka! Vira sklicevanja ni bilo mogoče najti.-Napaka! Vira sklicevanja ni bilo mogoče najti./P3: **Categories of intervention**

Table 18. Dimension 1 Intervention field

Priority axis	Code	Amount (EUR)
3 TA	121 Preparation, implementation, monitoring, inspection	1,380,000.00
3 TA	122 Evaluation and studies	70,000.00
3 TA	123 Information and communication	50,000.00

Table 19. Dimension 2 Form of finance

Priority axis	Code	Amount (EUR)
3	01 non-repayable grant	1,500,000.00

Table 20. Dimension 3 Territory Type

Priority axis	Code	Amount (EUR)
3	00 Not applicable	

Table 21. Dimension 6 Territorial delivery mechanisms

Priority axis	Code	Amount (EUR)
3	00 Not applicable	

3. SECTION 3: FINANCING PLAN

(Reference: point (d) of Article 8(2) of Regulation (EU) No 1299/2013)

3.1. Financial appropriation from the ERDF (in EUR)

(Reference: point (d)(i) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 22. Financial appropriation from the ERDF

	2014	2015	2016	2017	2018	2019	2020	Total
ERDF	2,032,940	2,065,974	2,095,168	2,117,911	2,140,324	2,161,980	2,180,718	14,795,015
IPA amounts (where applicable)	0	0	0	0	0	0	0	0
ENI amounts (where applicable)	0	0	0	0	0	0	0	0
Total	2,032,940	2,065,974	2,095,168	2,117,911	2,140,324	2,161,980	2,180,718	14,795,015

3.2.A Total financial appropriation from the ERDF and national co-financing (in EUR)

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

1. The financial table sets out the financial plan of the cooperation programme by priority axis. Where outermost regions' programmes combine cross-border and transnational allocations, separate priority axes will be set out for each of these.
2. The financial table shall show for information purposes, any contribution from third countries participating in the cooperation programme (other than contributions from IPA and ENI)
3. The EIB contribution is presented at the level of the priority axis.

Table 23. Financing Plan

Priority axes	Fund	Basis for calculation of Union Support	Union Support	National counterpart	Indicative breakdown of the national counterpart		Total funding	Co-financing rate (**)	For information	
					National public funding	National private funding (*)			Contribution from third countries	EIB contributions
	ERDF/IPA/ENI	Total eligible costs or Public eligible costs	(a)	(b)=(c)+(d)	(c)	(d)	(e) = (a) + (b)	(f) = (a)/(e)		
P1 Priority	ERDF	total eligible cost	10,000,000.00	1,764,705.88	1,058,823.53	705,882.35	11,764,705.88	85.00%	0	0
	IPA	-	0	0	0	0	0	0	0	0
	ENI	-	0	0	0	0	0	0	0	0
P2 Priority	ERDF	total eligible cost	3,295,015.00	581,473.24	348,883.94	232,589.29	3,876,488.24	85.00%	0	0
	IPA	-	0	0	0	0	0	0	0	0
	ENI	-	0	0	0	0	0	0	0	0
P3 Priority (Technical Assistance)	ERDF	total public cost	1,500,000.00	1,500,000.00	1,500,000.00	0	3,000,000.00	50.00%	0	0
	IPA	-	0	0	0	0	0	0	0	0
	ENI	-	0	0	0	0	0	0	0	0
TOTAL	ERDF		14,795,015.00	3,846,179.12	2,907,707.47	938,471.65	18,641,194.12	79.37%	0	0
	IPA		0	0	0	0	0	0	0	0
	ENI		0	0	0	0	0	0	0	0
	Total Community		14,795,015.00	3,846,179.12	2,907,707.47	938,471.65	18,641,194.12	79.37%	0	0

3.2.B. Breakdown by priority axis and thematic objective

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 24. Breakdown by priority axis and thematic objective

Priority axis	Thematic objective	Union support	National counterpart	Total funding
Priority axis 1	Thematic objective 6	10,000,000.00	1,764,705.88	11,764,705.88
Priority axis 2	Thematic objective 11	3,295,015.00	581,473.24	3,876,488.24
Priority axis 3	Technical assistance	1,500,000.00	1,500,000.00	3,000,000.00
Total		14,795,015.00	3,846,179.12	18,641,194.12

Table 25. Indicative amount of support to be used for climate change objectives

(Reference: Article 27(6) of Regulation (EU) No 1303/2013)

Priority axis	Indicative amount of support to be used for climate change objectives (EUR)	Proportion of the total allocation to the programme (%)
Priority axis 1	1,000,000.00	10%
Priority axis 2	0	0%
Priority axis 3	0	0%
Total	1,000,000.00	6.75%

4. SECTION 4: INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

(Reference: Article 8(3) of Regulation (EU) No 1299/2013)

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme, including in relation to regions and areas referred to in Article 174(3) TFEU, having regard to the Partnership Agreements of the participating Member States, and showing how it contributes to the accomplishment of the programme objectives and expected results

The integrated approach to territorial development aims at ensuring a harmonious development of the participating cross border regions, and thus, to enable the citizens to make the best usage of the given natural conditions and opportunities whilst considering the specifics of each cross border region. The realization of the diminution of the development disparities can be reached whilst addressing and processing special development potentials and key challenges of the participating Slovenian regions and Hungarian counties.

The Programme promotes smart, sustainable and inclusive growth through an integrated approach, combining thematic and territorial dimensions in the design of the two priority axes as it is summarised below:

- Priority axis 1 (TO6): The programme area's added value in terms of natural and cultural heritage lies in unique natural assets complemented with the integration of two different cultural identities, which provide the basis for the programme area's economic and social development, especially in terms of sustainable tourism in remote rural areas. Thereupon, an adequate coordination of development strategies and action plans in terms of natural and cultural heritage preservation on one side and fostering sustainable tourism on the other at regional and/or local level remains a key concern if critical mass and visibility beyond the local and/ or regional level should be achieved. The Programme's objective is to support joint cross-border initiatives in the field of sustainable tourism development with a focus on rural areas, whilst natural and cultural heritage preservation and protection as its very basis.
- Priority axis 2 (TO11): The primary aim of cross-border cooperation is to tackle identified common challenges by a joint approach between the two partner states with different cultural background, social and political systems as well as different administrative structures. The most important challenges manifesting at cross-border level refer to: how to protect natural assets whilst at the same time promoting regional development and growth, how to harmonise and expand the cooperation between institutions and organizations in the cross-border region, and thus how to create attractive living conditions for the citizens of the programme area. The Programme's objective is to address these challenges in the most effective manner by strengthening the existing cooperation relationships whilst establishing new ones, as well as by creating new possibilities for promoting an efficient cooperation between organizations, the public sector and local communities.

4.1. Community led local development (where appropriate)

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

(Reference: point (a) of Article 8(3) of Regulation (EU) No 1299/2013)

Not applicable

4.2. Integrated actions for sustainable urban development (where appropriate)

Principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the ERDF support for these actions

(Reference: point (b) of Article 8(3) of Regulation (EU) No 1299/2013)

Not applicable

4.3. Integrated Territorial Investment (ITI) (where appropriate)

Approach to the use of Integrated Territorial investment (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis.

(Reference: point (c) of Article 8(3) of Regulation (EU) No 1299/2013)

Not applicable

4.4. Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant Member States and taking into account, where applicable, strategically important projects identified in those strategies (where appropriate)

(Where Member States and regions participate in macro-regional and sea basin strategies)

(Reference: point (d) of Article 8(3) of Regulation (EU) No 1299/2013)

<p>The Programme takes into account the European Strategy for the Danube Region (EUSDR) in the programming process as well as during implementation, and thus, will contribute to its aims. The selected thematic objectives and investment priorities of the cooperation programme take into consideration particularly the following EUSDR targets, priority areas and actions of the EU Strategy and the Action plan 2010 (SEC 2010 1489)²:</p>

<p>A) Connecting the Danube Region</p>
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² http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/danube/action_plan_danube.pdf

3) To promote culture and tourism, people to people contacts (TO 6c)

C) Building Prosperity in the Danube Region

9) To invest in people and skills (TO 11)

D) Strengthening the Danube Region

10) To step up institutional capacity and cooperation (TO 11)

During the implementation, the Programme will ensure appropriate coordination with the Macro regional Strategy for the Danube Region by the following approaches:

- Governance arrangements for ongoing mutual information exchange, coordination and joint planning in areas of common interest: In Slovenia the Government office for development and European cohesion policy (GODC) is coordinating the development planning and is also responsible for managing the preparation and coordination of the strategic documents with the European Union. The Prime Minister's Office takes on the role as the coordinating body of the EU Structural Funds in Hungary. To be more precise, the Prime Minister's Office, Deputy State Secretariat for International Affairs as National Authority is responsible for the Managing/National Authority activities, and thus, for coordinating and cross-checking the Operative Programme.³
- The elaboration of more thorough working relationships between EU programme partners and main EUSDR stakeholders on transnational, national and regional levels as well as regarding identified issues/activities of common interest during implementation.
- To introduce a EUSDR specific category in the monitoring system in order to identify projects and/or funding, which will contribute to the EUSDR. For this approach the EUSDR aspects have to be considered in the programme reports in terms of specifying how the Programme contributes to the challenges and needs identified by the EUSDR.
- Take advantage of the Budapest Danube Contact Point (BDCCP): The expert organization was launched by the European Investment Bank and the Government of Hungary with the aim to support economically, technically, financially and environmentally realizable projects in the framework of the EUSDR. In accordance to that the organization provides strategic consultancy, management support, financial know-how and develops transnational and multi-sector concepts for the stakeholders of the EUSDR.

³More information in Section 6.

5. SECTION 5: IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

5.1. Relevant authorities and bodies

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

Table 26. Programme authorities

(Reference: point (a)(i) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Managing authority (MA)	Government Office of the Republic of Slovenia for Development and European Cohesion Policy (GODC), European Territorial Cooperation and Financial Mechanisms Office Cross-border Programmes Management Division	Director of the European Territorial Cooperation and Financial Mechanisms Office
Certifying authority, where applicable (CA)	Public Fund for Regional Development of the Republic of Slovenia	Director of the Public Fund for Regional Development of the Republic of Slovenia
Audit authority (AA)	Ministry of Finance of the Republic of Slovenia, Budget Supervision Office of the RS Directorate General for Audit of European Funds, Hungary as GoA member	Director of the Budget Supervision Office of the RS (Audit Authority chairs Group of auditors) Director General

The body to which payments will be made by the Commission is:

(Reference: point (b) of Article 8(4) of Regulation (EU) No 1299/2013)

- the managing authority
 the certifying authority

Table 27. Body or bodies carrying out control and audit tasks

(Reference: points (a)(ii) and (iii) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Body or bodies designated to carry out control tasks	Government Office of the Republic of Slovenia for Development and European	Head of the Section, Control Division ETC, IPA and IFM

	Cohesion Policy (GODC), Control office, Control division ETC, IPA and IFM programmes	Programmes
	Széchenyi Programme Office (SZPO) SZPO Central Control Department, SZPO West Hungarian Control Department Zalaegerszeg	
Body or bodies designated to be responsible for carrying out audit tasks	Ministry of Finance of the Republic of Slovenia, Budget Supervision Office of the RS Directorate General for Audit of European Funds, Hungary	Director of the Budget Supervision Office of the RS Director General

5.2. Procedure for setting up the joint secretariat

(Reference: point (a)(iv) of Article 8(4) of Regulation (EU) No 1299/2013)

The Managing Authority after consultation with the programme bodies sets up the JS for the programme in compliance with the Article 23, paragraph 2 of the ETC Regulation. There are not substantial changes in the functions and tasks of the joint secretariat (JS) in regard to the period 2007 – 2013.

The continuation of the successful works of the JS as well smooth transition, institutional stability (avoid of staff turnover) and adjustment of the JS to the functions and tasks stated in the ESI funds regulations 2014 – 2020 is expected.

The JS and the head of the JS will remain in Maribor, within the official structures of the GODC:

Government Office of the Republic of Slovenia for Development and European Cohesion Policy

European Territorial Cooperation and Financial Mechanisms Department

Cross-border programmes management division

Trubarjeva 11

SI-2000 Maribor

tel. + 386 (0)1 400 3162

fax + 386 (0)2 234 1050

e-mail: jts-si-hu.svlr@gov.si

5.3. Summary description of the management and control arrangements

(Reference: point (a)(v) of Article 8(4) of Regulation (EU) No 1299/2013)

5.3.1 Programme Bodies and representatives of Member States

Programme Bodies

The joint implementation structure of the Cooperation Programme SI-HU 2014-2020 is built on the following bodies: Managing Authority (MA), Certifying Authority (CA) and Audit Authority (AA).

According to Article 123 of the Common Provision Regulation (CPR) 1303/2013 there are no substantial changes in the functions of the programme authorities as well Monitoring Committee (MC) and Joint Secretariat (JS) in regard to the period 2007 – 2013. Basic programme structure and implementation arrangements will remain the same, ensuring institutional stability and smooth transition to the period 2014 – 2020.

The following articles of the Common Provision Regulation, No. 1303/2013 (CPR) describe the functions of the management and control authorities:

- Article 125: Managing Authority and Article 23 of the ETC Regulation
- Article 126: Certifying Authority and Article 24 of the ETC Regulation.
- Article 127: Audit Authority/Group of Auditors and article 25 of the ETC Regulation.

The Audit Authority will be assisted by a group of auditors comprising a representative of both Member States participating in the cooperation programme.

More detailed provisions relating to the internal control environment, risk management, management and control activities, and monitoring will be included in the description of the functions and procedures for the managing authority and the certifying authority according to Article 124 of the CPR and the programme guidance documents. Guidance documents shall be adopted by the MC.

Monitoring Committee (MC)

MC agree to apply the partnership principle as laid down in Article 5 of the CPR and to cooperate to find optimal solutions for the benefit of the whole cooperation area.

Within three months of the date of notification to the Member State of the Commission decision adopting a programme, the both Member States participating in the programme, in agreement with the Managing Authority, will set up a Monitoring Committee. The composition of the Monitoring Committee shall be agreed on by mutual consent by the programme member states. Members of the MC will represent the participating MS's on policy and administrative level and thus ensure a transparent approach. Details of the voting procedure will be set out in the rules of procedure.

The main functions of the Monitoring Committee are described in the Article 49 of the CPR. It will be the task of the MC to steer the programme and to ensure the quality and effectiveness of its implementation. The MC will carry out its functions in line with Article 49 and Article 110 of the CPR. Modalities of the Monitoring Committee work will be defined in the Rules of Procedure, while taking into account the general rule that each country has one vote and that decisions are taken in consensus. The Monitoring Committee adopts its Rules of Procedure in agreement with the Managing Authority. Monitoring Committee will be chaired by the Managing Authority according to Article 48

of the CPR. MC meetings will be held alternatively in both member states. The MC meets at least once a year and reviews the implementation of the programme and progress towards achieving its objectives. It examines in detail all issues that affect the performance of the programme and makes a decision on any amendment of the programme proposed by the MA. It can set up specific working and task groups. The meetings of the MC and its minutes are prepared by the JS in conjunction with the MA and the active members. If necessary, decisions can be made following a written procedure among the members of the MC according to the conditions defined by the rules of procedures.

Member States shall aim to promote equality between men and women and equal opportunity in the membership of the monitoring committees. The MA shall ask the members of the monitoring committee to sign a statement acknowledging their obligations related to confidentiality and conflict of interest.

National Authorities (Member States)

The participating Member States as NAs are represented by:

- ***Slovenia***

Government Office of the Republic of Slovenia for Development and European Cohesion Policy

European Territorial Cooperation and Financial Mechanisms Department

European Territorial Cooperation Division

Trubarjeva 11, SI-2000 Maribor

- ***Hungary***

Hungarian Prime Minister's Office

State Secretary for Cohesion Policy

Deputy State Secretary for International Affairs

Kossuth square 1-3., HU – 1055 Budapest

Member States retain three main responsibilities:

- as National Authorities (NA) they nominate representatives of the Monitoring Committee and bear financial responsibilities in line with what is established under chapter 5.3,
- as National Controllers they are responsible for the verification of expenditure of beneficiaries located in their territory,
- as members of the Group of Auditors they participate in audit activities and are responsible for audits carried out in their territory.

Managing Authority (MA)

The Managing Authority will perform its functions in line with the provisions of Article 125 of the CPR and Article 23 of ETC Regulations.

Joint Secretariat (JS)

The JS shall assist the managing authority and the monitoring committee in carrying

out their respective functions. The joint secretariat shall also provide information to potential beneficiaries about funding opportunities under cooperation programmes and shall assist beneficiaries in the implementation of operations. It sets up and maintains contacts with Lead Partners and their partnerships; it ensures the coordination as well as the follow-up and promotion activities at CBC programme level and provides technical support for the preparation of meetings and events at the programme and projects level (Monitoring and Executive Committees, CBC Conferences and working groups and other meetings).

The JS facilitates, assesses and ensures that project selection is equitable and transparent. It collects financial, physical and statistical data that is needed for programme monitoring as well as for the interim and final reports. The JS shall also evaluate each major or minor modification at project level for presenting a technical report to the MC that, if it is the case, will approve it.

The JS is also in charge of implementing the information system that is open and available to operators and to the public for the implementation of the programme: schedule, progress, contacts, phone details and website.

Pursuant to Article 23 (2) of the ETC regulation and as provided for in chapter 5.3, the JS will be placed within the GODC (Cross-border programmes management division) and will be set up by the MA. The set-up and functioning of JS, including its activities, shall be funded from the TA budget in line with MA/JS work plans. The JS will be composed of different posts in charge of financial and programme monitoring, project implementation and monitoring - including the management of electronic data exchange system - and communication activities. The whole team will be led by a Head of JS.

Infopoint

MA will set up and manage the Infopoint (IP) representing the programme on national, regional and local level within Hungary. The IP is coordinated by the MA and the JS on the basis of work plans and plays a crucial role as the interface between NAs and potential applicants. The IP provides (call specific) information to potential applicants, advises and assists beneficiaries participating in approved operations, informs stakeholders on achievements of the programme and supports the programme management, namely MA. IP will also contribute to programme implementation through monitoring of the operations on Hungarian side of the border. The set-up and activities of the IP will be funded from the TA budget in line with IP work plans.

First Level Control Bodies (FLC Bodies)

As regards the verifications of expenditures in relation to beneficiaries, both Member States will designate the First Level Control Bodies at national level, as set out in Article 74 of the CPR and 23 (4) of the ETC regulation.

Certifying Authority (CA)

According to article 126 of the CPR, the Certifying Authority is responsible in particular for drawing up and submitting to the Commission payment applications and certifying that these result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the Managing Authority. The Certifying Authority is also responsible for drawing up the annual accounts, certifying

the completeness, accuracy and veracity of the annual accounts and that the expenditure entered in the accounts complies with applicable Union and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the cooperation programme and complying with Union and national rules.

Audit Authority (AA)

The AA will carry out its functions in accordance with Articles 123, 124, 127 and 128 of the CPR and Articles 21 and 25 of the ETC Regulation. In line with Article 25 (2) of the ETC regulation. Audit Authority ensures that audits are carried out on the management and control systems, on an appropriate sample of operations and on the annual accounts. It draws up an audit opinion on the annual accounts for the preceding accounting year and an annual control report setting out the findings of the audits carried out during the preceding accounting year.

The AA will be assisted by a Group of auditors (GoA) comprising of representatives from responsible bodies of each MS participating in the cooperation programme carrying out the above listed duties detailed in Article 127 of the CPR. The representatives have to be independent from the MC members, the controllers designated according to Article 23 (4) of the ETC Regulation and any operation's activities and finances. The GoA will be set up within three months of the decision approving the programme at the latest. It will draw up its own rules of procedure and will be chaired by the AA. The decision on the body carrying out the system audits and the checks on expenditure will be taken by the AA and the GoA during the process of designing the audit strategy of the Programme.

The AA shall in the implementation of its tasks, act in full accordance with Slovenian and European institutional, legal and financial provisions.

Furthermore, in order to help to insure effective programme implementation MA will organize periodical meetings between MA, JS, CA, AA (if applicable), NA and FLC (bilateral programme group).

5.3.2 Project cycle/ Description of procedures

The administrative work involved in the procedures for providing assistance to the individual projects will be managed according to the programme guidance documents in a separate application manuals, agreed between the Programme Authorises and Bodies.

Project generation

Pro-active project generation is a basic principle of the Cooperation Programme, as it leads to projects with a clear added-value in the cross-border approach.

The programme implementation structures will provide information and support to potential project applicants interested in becoming a project partner. For this purpose thematic workshops and/or seminars will be organised in the programme area.

Project application

The programme will operate on the basis of the open call system. This means, that project holders can submit project applications continuously after opening the call. Applications received in due time before each MC and fulfilling all requirements will be

subject to MC decision.

The application process will be carried out completely in an online system using the Harmonized Implementation Tools (HIT). Project applications shall be submitted by the Lead partner in electronic form to the JS.

Project assessment and selection

These principles of selection of operations are described in sections Guiding principles for the selection of operations under the investment priorities. Methodology for project assessment will be defined and approved by the MC. The MC will set up common standards for the eligibility and selection criteria. The criteria and details on the assessment process (set out in the Programme Implementation Handbook) will be made available in the application package.

The JS has the overall responsibility of organising the assessment of project applications. For parts of the assessment, independent external experts may be consulted.

The results of the assessment in a form of a report and a list of recommended projects are presented by the JS/MA to the MC for its final decision. This report will cover all the project applications which were received by the JS, and will provide recommendations for decision – consistently taking reference to the selection criteria given by the programme documents.

A set of **administrative compliance and eligibility criteria** will be defined to ensure compliance of all project applications with formal requirements. This part of the assessment will especially focus on the following points:

- Submission in due time
- Completeness of the submitted project application package
- Financial capacity
- Presented costs are in line with the funding sources
- No evidence for funding by other resources (double financing)

Requirements for the partnership (e.g. eligibility of partners, at least one Slovenian and one Hungarian project partner etc.)

Those project applications that fully comply with the administrative compliance and eligibility criteria will be subject to quality assessment.

Quality assessment aims at assessing the relevance and feasibility of the project. This is reflected in two types of assessment criteria. Strategic assessment criteria are meant to determine the extent of the project's contribution to the achievement of the programme objectives. A strong focus is given to the result orientation of a project with the demand for visible outputs and concrete results. Operational assessment criteria review the viability and feasibility of the proposed project, as well as its value for money in terms of resources used versus results delivered.

In addition to the thematic horizontal elements (see Section 8), all projects receiving funds have to meet the following quality requirements:

- Cross-border relevance
- Partnership relevance

- Concrete and measurable results
- Durable outputs and results
- Coherent approach
- Sound project communication strategy and tools
- Effective management
- Sound budget.

Also the following requirements should be considered as assets during the evaluation. Exact methodology will be laid down in assessment/evaluation manual:

- Built upon an already existing CBC partnership
- Long term and sustainable social and economic effects
- Developments' vicinity to the border
- Novel and innovative initiatives

Project decision for ERDF funding

The MC formally decides on the approval of the projects and on the ERDF contribution. The decision can only be taken by the voting members. The MC meets at least once a year. After the formal decision is made, the applicant will be informed about the decision on the submitted project application by the MA/JS.

Contracting

Following the decision of the MC, the JS will draft a (bilingual) subsidy contract by using a standard bilingual template approved by the MC. The subsidy contract lays down details concerning the responsibilities and liabilities of all contracting parties. It is addressed to the Lead Partner and signed by the legal representative of the Lead Partner and the MA. The national/regional funding bodies issue the national/regional co-financing contracts linked to the subsidy contract to the project partners, if applicable and according to decision of each Member State. After completing the national/regional contracting of co-financing, if applicable and according to decision of each Member State, the NA's provide the information to the JS/MA.

Besides the general legal framework, the ERDF subsidy contract will lay down the subject and duration of the contract, budgetary allocation (maximum ERDF funding), procedures and obligations regarding reporting and payments, obligations within the partnership, general conditions for the eligibility of costs, procedures for project changes, obligations regarding validation of expenditure and audit of operations, recovery obligations and procedures, information and publicity requirements, closure arrangements, rules for amendments to the contract and liability clauses.

In order to ensure a solid legal basis for a smooth project implementation, JS will provide the projects partners with a partnership agreement template. The signed partnership agreement, which the Lead Partner has made with its project partners, is the prerequisite for the MA to prepare the subsidy contract and represents an annex to the contract.

Project reporting and reimbursement to beneficiaries

In accordance with Article 13 of ETC Regulation, for each project, project partners shall

appoint a lead partner (LP). The LP shall assume overall responsibility for the implementation of the project, including the handling of ERDF funds.

All project expenditure has to be pre-financed by the project partners. Expenditure of all partners has to be validated by designated First Level Control (FLC), in line with Article 125 (4) of CPR. The LP collects the certificates of all project partners that are issued by the FLC after verification of expenditure. This certificate will be included in activity and financial progress reports that the LP periodically presents to the JS/MA. In these documents, the LP reports about progress achieved in project implementation and on related validated expenditure. This will be the basis for the project's claim for reimbursement.

On the basis of the submitted project reports, the JS/MA monitors the progress of the projects both in financial terms and in terms of activities implemented. When assessing the reports, the JS considers the use of ERDF and the progress in implementation of the project in order to monitor the proper implementation of the project compliant with the subsidy contract. It is also checked whether verifications are carried out by the controllers defined in the subsidy contract.

Based on checks of the reports undertaken by the JS and in accordance with Article 21 (2) of ETC Regulation and Article 132 of CPR, the CA shall make payments to the LP who is responsible for transferring the ERDF contribution to the partners participating in the project. On behalf of the lead partner direct transfers from the CA to the project partners could also be an option.

In line with Article 132 of CPR, MA ensures that lead beneficiaries, subject to the availability of ERDF funds, receive ERDF payments in full and in due time, no later than 90 days from the date of submission of the claim for reimbursement. No deduction, retention or further specific charges which would reduce the amount of the payment shall be made.

Financial control system

In accordance with Article 125 (4) of CPR and Article 23 (4) of ETC Regulation each Member State shall designate the First Level Control Bodies for carrying out verifications in relation to beneficiaries on its territory. The control system is set up to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations and the compliance with Community rules, programme rules and its national rules. The FLC bodies have to ensure the verification of the expenditure of each beneficiary according to the provisions of Article 23 of ETC Regulation.

In the Cooperation Programme two systems are in place regarding the implementation of control tasks: a centralised system in Hungary and a centralised system in Slovenia.

In order to ensure coherence among all controllers responsible, standard templates such as control certificate and report will be used in the programme e-Monitoring System (e-MS). Furthermore, a network of controllers will be established to ensure regular exchange of knowledge and good practices.

Complaint procedure

With regard to the resolution of complaints, hereunder are various situations that could be concerning by this issue.

- **Complaints related to the control system**

In accordance with the hierarchy of the rules for 2014 -2020, beneficiaries that have any complaints related to the procedures on the programme level should file the complaint to the MA.

Beneficiaries that have any complaints related to the national control system can file a complaint to the institution responsible for the financial control of the relevant Member State, following national procedures in place.

- **Complaints related to AA checks**

Following the contradictory procedure that will be described in the Audit strategy and the issuing of the final audit report referring to an audit carried out by the AA, the concerned beneficiaries that disagree with the final decision of the AA can file a complaint to the relevant Member of the GoA following national procedures in place. In accordance with the hierarchy of the rules for complaints regarding national control procedures on the programme rules the complaint should be filed with the MA, which should then contact the AA.

- **Complaints related to the monitoring carried out by the JS and MA**

Any complaints in relation to the monitoring of beneficiary's progress carried out by the JS and MA will be submitted by the beneficiary to the JS and MA that will examine and provide an answer. Where required, remaining complaints can be put forward by the beneficiary to the regional administrative court in the territory where the MA is located.

- **Other complaints**

For any other complaints not falling within the categories listed above, the concerned beneficiary can file complaints to the regional administrative court in the territory where the MA is located.

Programme monitoring

The monitoring of this programme will provide information on the implementation. It will cover financial issues and achieved results considering the targets fixed for the different milestones in the performance framework.

Programme data will be recorded and stored in the programme -Monitoring System and will be used, together with additional information on the financial implementation of the programme, for drafting the annual and final implementation reports.

The monitoring data shall be available to the MA, CA, AA, JS, NA, EC, as well to the financial control bodies on a regular basis.

Implementation reports

In accordance with Article 14 of ETC Regulation, the MA will submit implementation reports (annual implementation reports and final implementation report) to the EC in accordance with the requirements stipulated in Article 50 of the CPR and respecting the deadlines set in Article 14 of ETC Regulation.

The annual implementation reports will be drafted by MA/JS on the basis of programme monitoring data and data provided by the beneficiaries in their progress and final

reports. The annual implementation reports of the programme will be submitted to the MC for approval prior to sending to the EC.

Programme evaluations

The Cooperation Programme has been subject to an ex-ante evaluation of independent evaluators with the aim of improving the overall quality of the programme and to optimise the allocation of budgetary resources. The recommendations of the evaluation have been taken into account during the drafting of this programme as described in Annex XY.

In accordance with Articles 56 and 114 of the CPR, the MA will draw up an evaluation plan which will be approved by the MC prior to sending to the EC.

The evaluations will be carried out to assess effectiveness, efficiency and impact of the programme. All evaluations, recommendations and follow-up actions will be examined and approved by the MC.

By 31 December 2022, the MA will submit to the EC a report summarising the findings of evaluations carried out during the programming period, including an assessment of the main outputs and results of the programme.

In compliance with Articles 57 and 114 of the CPR, the ex-post evaluation lies in the responsibility of the EC together with the Member States.

Monitoring System

On the side of the programme, the e-MS according to Article 72 of CPR shall provide data and information needed to fulfil management, monitoring and evaluation requirements. As stipulated in Articles 74 and 112 of CPR, data exchange with the EC will be carried out electronically (by means of SFC2014). In accordance with Article 122 of CPR, the Programme will ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and the MA, JS, CA, NA and AA can be carried out by means of an electronic data exchange system (e-MS).

The e-MS will comply with the following aspects:

- data integrity and confidentiality
- authentication of the sender within the meaning of Directive 1999/93/EC4
- storage in compliance with retention rules defined in Article 140 of CPR
- secure transfer of data
- availability during and outside standard office hours (except for technical maintenance activities)
- accessibility by the MSs and the beneficiaries either directly or via an interface for automatic synchronisation and recording of data with national, regional and local computer management systems
- protection of privacy of personal data for individuals and commercial confidentiality for legal entities with respect to the information processed (according to Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Directive 1995/46/EC on the protection of individuals with regard to the processing of personal data and on the free

movement of such data).

Information and communication

According to Articles 115 and 116 of CPR, a communication strategy will be drafted and submitted to the MC not later than 6 months after adoption of the programme. Any revision of the communication strategy will be discussed and approved by the MC.

In line with Article 116 (3) of CPR, the MA will inform the MC at least once a year on the progress in the implementation of the communication strategy and its assessment of the results, as well as on the planned information and communication activities to be carried out in the following year.

The aim of the communication strategy is two-fold, to inform potential applicants about funding opportunities under the cooperation programme and to communicate achievements of cohesion policy to the general public by focusing on the results and impacts of the programme and its projects. The cooperation programme might use harmonised branding introduced on a voluntary basis by ETC programmes for the period 2014-2020.

The communication strategy will be implemented within the JS that will be responsible for information and communication activities. A budget for the implementation of the communication strategy will be made available as part of the programme's budget for technical assistance.

The programme working language is English. All documents relevant for the beneficiaries will be provided in Slovene and Hungarian language in case of differences in translations English version prevails.

5.4. Apportionment of liabilities among the participating Member States in case of financial corrections imposed by the managing authority or the Commission

(Reference: point (a)(vi) of Article 8(4) of Regulation (EU) No 1299/2013)

Without prejudice to the Member States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to Article 122 (2) of CPR, the MA shall ensure that any amount paid as a result of an irregularity is recovered from the lead partner. In accordance with Article 27 of ETC Regulation, the project partners shall repay the lead partner any amounts unduly paid.

If the lead partner does not succeed in securing repayment from a project partner or if the MA does not succeed in securing repayment from the lead partner, the Member State on whose territory the project partner concerned is located shall reimburse the MA the amounts unduly paid to the partners, in accordance with the apportionment of liabilities among the participating Member States as laid down below. The MA will reimburse the funds to the Union once the 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 Member States have the overall liability for the ERDF support granted to LPs or

PPs located on their territories, they shall ensure that – prior to certifying expenditure – any financial corrections required will be secured and they shall seek to recover any amounts lost as a result of an irregularity or negligence caused by a beneficiary located in their territory. Where appropriate a MS may also charge interest on late payments.

In accordance with Article 122 (2) of CPR, irregularities shall be reported by the Member State in which the expenditure is paid by the lead partner or project partner implementing the project. The Member State shall at the same time, inform the MA, CA and the AA.

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

- Each Member State bears liability for possible financial consequences of irregularities caused by the lead partners and project partners located on its territory, only after lead partner already used all available legal means to recover the amounts unduly paid from project partners.
- 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 proportion to the ERDF claimed to the European Commission for the period which forms the basis for the financial correction*
- For technical assistance expenditure incurred by the MA/JS, the liability related to administrative irregularities shall be born by the MA/JS.
- For technical assistance expenditure incurred by the CA, the liability shall be born by the CA.
- For technical assistance expenditure incurred by the AA, the liability shall be born by the AA.
- For technical assistance expenditure incurred by the NAs the liability shall be born by the NA concerned.

In the Cross-Border Cooperation Programme Slovenia - Hungary 2014 - 2020, the Member States are represented by the National Authorities declared in Chapter 5.3.1.

5.5. Use of the Euro (where applicable)

(Reference: Article 28 of Regulation (EU) No 1299/2013)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

Expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the controller.

5.6. Involvement of partners

(Reference: point (c) of Article 8(4) of Regulation (EU) No 1299/2013)

Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the monitoring committee.

Developing programmes according to the “partnership principle” is a distinct requirement by EU legislation. It will be implemented according to Article 5 of the CPR and the new European code of conduct on partnership⁴ in the framework of the ESI funds.

From the beginning of the preparation process of the future Programme stakeholders from both sides of the border have been directly and actively involved in line with the provisions of the Code of Conduct and based on the valuable contribution of the Task Force (based on their local knowledge and experience with the current Programme):

- a) regional/county level, local public authorities, largest cities, micro regions, representatives of higher education institutions, research centres, other public authorities responsible for the application of horizontal principles;
- b) relevant economic and social partners, cluster organizations, county chambers of commerce and business associations;
- c) relevant civil organizations, NGO’s (environment, energy, labour, social issues including social inclusion, health, culture, ethnic cooperation, education).

The involvement of these stakeholders was carried out through a series of workshops, interviews and online public consultation in order to generate an active dialogue with them.

In order to provide opportunity to this wide range of stakeholders to participate in the programming process workshops were organized in Hungary and in Slovenia, which were open to participants from both sides of the border.

The purpose of WS1 (Nagykanizsa, HU), WS2 (Lenti, HU) and WS3 (Lendva, SI) was to inform stakeholders on the key features, main conclusions and findings of the territorial analysis performed, as well as the SWOT analysis, also to collect feedbacks and inputs regarding the cross-border development needs and possible activities, potential project ideas in line with the programme’s objectives.

WS4:

Online public consultation:

⁴ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds

6. SECTION 6: COORDINATION

(Reference: point (a) of Article 8(5) of Regulation (EU) No 1299/2013)

The mechanisms that ensure effective coordination between the ERDF, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and other Union and national funding instruments, including the coordination and possible combination with the Connecting Europe Facility, the ENI, the European Development Fund (EDF) and the IPA and with the EIB taking into account the provisions laid down in the Common Strategic Framework as set out in Annex I to Regulation (EU) No 1303/2013. Where Member States and third countries participate in cooperation programmes that include the use of ERDF appropriations for outermost regions and resources from the EDF, coordination mechanisms at the appropriate level to facilitate effective coordination in the use of these resources.

Coordination in Slovenia

In Slovenia⁵ the Government office for development and European cohesion policy (GODC) is coordinating the development planning. The office coordinates the development documents of the Republic of Slovenia, monitors the implementation of development policies and its programmes and is responsible also for the coordination of documents pertaining to development planning and compliance of national development planning programmes and the European Union and other international organisations' development documents. GODC is also managing the preparation and coordination of the strategic documents with the European Union.

Through ETC cross-border programmes, Slovenia will favour common development strategies.

The contents common to all cross-border programs (with Italy, Austria, Hungary and Croatia) and to transnational programmes in the vast majority have their place among the measures of the Danube, the Adriatic-Ionic and Alpine future macro-regions.

Coordination of the preparation of the Partnership Agreement, the Operational Programme for Cohesion Funds and of cross-border cooperation programmes takes place within one institution, which both in the documentation preparatory stage and during implementation provides for the complementarity and synergies of various funds. At NUTS3 level (statistical regions), Slovenia prepares regional development programmes in accordance with the Balanced regional development law to be used with investments from different sources of financing in key development areas based on territorial challenges and opportunities.

Coordination of the preparation of macro-regional strategies is the responsibility of the Ministry of Foreign Affairs, while the coordination and implementation of individual parts of strategies fall under the responsibility of individual ministries. For the period after 2014, an enhanced role of inter-ministerial coordination of macro-regional

⁵Information about coordination in Slovenia is based on the following documents: »Partnership Agreement between Slovenia and European Commission for the period 2014-2020« (10/04/2014) and "Responsibilities of Government office for development and European cohesion policy" available at: http://www.svrk.gov.si/en/about_the_office/responsibilities/

strategies has been envisaged within the committee framework, where all ESI funds are to be considered with a view to achieving better complementarity and synergy effects as a result of participation in the EU macro-regional strategies.

According to Partnership Agreement between Slovenia and European Commission for the period 2014-2020 (10/04/2014) the Inter-ministerial Coordination Committee will provide for coordination between ESI Funds that are being indirectly implemented (ERDF, ESF, CF, EAFRD) and other EU instruments as well as other national instruments and the EIB. Membership of the Inter-ministerial Coordination Committee will be represented by the managing authorities of all the Funds and participating ministries. Inter-ministerial coordination has already been established for the 2007-2013 period charged with planning and monitoring of the implementation (ERDF, ESF, CF) and will be upgraded through inclusion of the other two Funds (EAFRD, EMFF).

Key functions of the Inter-ministerial Coordination Committee are the following

- coordination and approval of Partnership Agreement revisions
- monitoring of the progress as regards fulfilment of PA objectives and discussion and approval of PA progress reports
- review of implementing plans and delivery of opinion thereon
- provision of counselling services on matters of content and organisation/implementation based on evaluation findings and analysis results

With the aim of ensure Slovenia's contribution to the realization of the individual thematic objectives the MA will establish relevant Expert Groups at the working level under the OP ECP 2014-2020 to provide for coordinated preparation of expert bases. The latter will be composed of representatives of intermediate bodies, national authorities of European Territorial Cooperation, information points for direct EU programmes and, if necessary, external experts.

For the absorption of the 2014-2020 Cohesion Policy Structural Funds, Slovenia has prepared a single Operational Programme as the contribution to the realisation of the EU Strategy for Smart, Sustainable and Inclusive Growth – the operational programme strategy is in accordance with the common strategic framework and the content of the Partnership Agreement.

THE OP ECP 2014-2020 encompasses the two cohesion regions and the ERDF, the ESF, the Cohesion Fund, and other relevant forms of implementing instruments.

Due to the regional development potential in Slovenia in this programming period a greater emphasis will be laid on the coordinated action between national and regional levels, based on the intersection between the development documents at national and regional level. In the context of the preparation of the regional development programmes at the level of the statistical regions Slovenia also concentrated on the identification of the region's specialisation as a method of concentration and activation of the region's potential. Regions will therefore promote development based on their comparative advantages (geographic, cultural, natural, economic and social).

Integration between regions and the creation of joint projects and initiatives to achieve synergies in several regions simultaneously will also be promoted. In this context the complementarity of EU Funds and other available resources is of key importance.

As already mentioned particularly HORZION 2020 and LIFE are relevant for the selected objectives of the programme. In Slovenia HORZION 2020 will be accompanied in its implementation by the Ministry of Education, Science and Sport while LIFE programme will be accompanied by the Ministry for Agriculture and the Environment. The thematic objective 6 (environment and resource efficiency) will be addressed in the Cooperation Programme, where an adequate attention will be paid to the connection with LIFE.

Coordination in Hungary

In relation to national investment programmes financed from the resources of the European Structural and Investment Funds (ESIF), the coherence is ensured with the Partnership Agreement of Hungary and at the same time, coordination is needed in cases, where there is a possible overlap of thematic objectives. Furthermore coordination is needed in those cases, where there is a territorial overlap of cross-border cooperation programmes and transnational programmes such as the Austria-Hungary Co-operation Programme 2014-2020, the Hungary-Croatia Cross-border Co-operation Programme 2014-2020, the Danube Transnational Programme, Central Europe and Interreg Europe.

Referring to the Article 123 of the EU Regulation No 1303/2013 the Prime Minister's Office is the ultimate coordinating body of the EU Structural Funds in Hungary. This ensures consistency, delimitation and that the most important coordination tasks are dealt in a 'One-stop-shop' system.

The organisational unit being responsible for the ETC CBC Programmes operates within the Prime Minister's Office as well, according to the related Government Regulation (27/2014. (II.7.) Korm. rendelet). Regarding the ETC CBC Programmes, the Deputy State Secretariat for International Affairs is responsible for the Managing/National Authority activities, therefore for the Austria-Hungary Cross-border Co-operation Programme as well.

As for the transnational programmes coordination is needed with the Ministry of National Economy, which is responsible for the following programmes: Danube Transnational Programme 2014-2020, Central Europe 2020 and Interreg Europe. Regarding the mainstream OPs dialog is needed with the Managing Authorities (i.e.: Ministry for National Economy, Ministry of National Development and the appropriate department of the Prime Minister's Office).

The coordination is needed with the Ministry of National Economy in case of the following mainstream programmes: EDIOP and TOP. The development of thematic routes with national importance (overarching the territory of several counties) is one area of intervention of EDIOP's priority axis 6. Within the framework of 1st priority axis of the TOP thematic roads with county level importance and linked to national

networks will be eligible for funding. It is recommended that, thematic routes supported by the CBC programme are coordinated with networks developed under EDIOP or TOP.

The coordination has been ensured already at the time of the planning of the SI-HU CBC Programme 2014-2020, as the activities of the OPs have been collated, and during the implementation, the Management Authorities of the relevant OPs and the Management Authority and the Joint Technical Secretariat should collate continuously the envisaged operations.

Cooperation between the organisations managing EU and national funds will continue also in the Programme for the period 2014-2020. The coordination is ensured through the Programme related national level consultations in Hungary, the ETC working group meetings as well as the review and commenting procedures established among the responsible Hungarian line ministries. The Deputy State Secretariat for International Affairs cross-checks the Operative Programme with the coordinating institutions to avoid overlaps during the programming period.

Further ensuring coordination and checking overlapping is national responsibility meaning that on one hand Member States establishes the required mechanism and on the other hand the composition of the Joint Monitoring Committee of the Cooperation Programme, Programming Group and Joint Secretariat are responsible for facilitating coordination between authorities responsible for the implementation of the European Structural and Investment Funds (ESI Funds). Regional Coordinators shall assist applicants and beneficiaries. In order to avoid double financing cross border impact is required at the projects financed through the SIHU ETC programme

During the implementation of the Programme special attention will be paid to the elaboration of the programme documents. In Hungary the IT system for mainstream operational programmes will be used to check double financing as also stated in the Partnership Agreement of Hungary. Double financing is to be scanned while audit procedures and the First Level Control shall stamp the submitted original invoices in order to make them inappropriate for other financial programmes.

– The following mainstream operative programmes, cross-border cooperation and transnational programmes have overlapping thematic objectives with the Slovenia-Hungary Cross-border Co-operation Programme 2014-2020 where double financing needs to be checked: ATHU, HUHR, TOP, POP, CCHOP, EEEOP, ITOP, RDOP, HFAOP, DANUBE, CE, INTERREG.

7. SECTION 7: REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

(Reference: point (d) of Article 8(2) of Regulation (EU) No 1299/2013)

A summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce the administrative burden.

In the programming period 2007-2013 beneficiaries had to fulfil different administrative requirements throughout the application as well as funding cycle. Beneficiaries had to meet impediments concerning the long decision making process, delays in contract signing as well as in validating the expenditures by FLC, too complex reporting requirements. The specifics of the ETC programmes represented also some challenges for the complex monitoring system. Thereupon, programme partners and beneficiaries are in favour of as much simplification measures as possible that will help to reduce the administrative burden in order to ensure a smooth project application and implementation process.

The following measures for the reduction of administrative burden are foreseen:

- **Use of the Harmonized Implementation Tools (HIT)**

Using the INTERACT Harmonized Implementation tools (application form, reporting forms, administrative, eligibility and assessment criteria, etc.) is especially useful for applicants applying for funding from different funds as many funds will use the same approach, questions or rules, which are then familiar for the partnership. In addition, the use of the Harmonised Implementation Tools enables the exchange of good practices from different ETC programmes and ensures that the focus of the documentation lies on the essential components, which are needed for a good cooperation project.

- **Extended use of simplified cost options and rules on eligibility of expenditure at the EU level**

The simplified cost options (e.g. unit cost, lump sums, flat rate, shared costs etc.) that have been made available by the ESI Regulations are planned to be used. The aim of the simplified cost options is to reduce the amount of needed paperwork and to speed up the reporting, verification and control procedures. When deciding on the eligibility rules and simplified cost options on the programme level, as defined in regulations and the delegated acts⁶, the experience of the MA, CA and JS of the current period as well as that of the FLC's will be taken into account.

In support of project partners, FLCs and other involved parties, Guide on eligibility of costs will be provided.

- **Simplification of the monitoring system (e-MS)**

The new programme monitoring system is prepared based on the INTERACT Harmonized Implementation Tools and in cooperation with INTERACT and other ETC

⁶ COMMISSION DELEGATED REGULATION (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes

programmes. The templates and processes are based on the most essential elements and the structure has been based on an analysis of best practices from several ETC programmes. Also the fact that a lot of programmes use the same templates will simplify for beneficiaries applying for projects from several funding instruments.

The online monitoring system will also be an important multi-lingual tool (English, Hungarian, Slovene) for reducing the administrative burden for beneficiaries. It eliminates the need to send documents in paper and with signatures (although scanning unstructured documents will pose additional work for the applicants). It also allows for streamlined and efficient handling of any changes required to the project application as both the project and JS/MA can access the same information in the database. It allows for interactive and/or pre-filled forms by the system on the basis of the data which is stored at consecutive steps of the procedures, for automatic calculations preventing mistakes and speeding up the work, where appropriate, automatic embedded controls which reduce as much as possible back-and forth exchange of documents, system generated alerts to inform the beneficiary of the possibility to perform certain actions and on-line status tracking meaning that the beneficiary can follow up the current state of the project, which results in more transparency. Due to the principle of information inserted only once the beneficiaries avoid doing extra work. The e-Monitoring System also greatly reduces the amount of documents that need to be signed and sent in.

- **Simplification and acceleration of the application as well as reporting procedure through the electronic monitoring system**

The mentioned simplifications will significantly simplify and accelerate application and reporting process. It includes a simplification of the administering and reporting documentation as well as of the corresponding procedures, like the shortening of the decision-making process of the approval of projects (decision on the submitted projects will be taken at least twice a year, the decision of the MC will be taken within 6 months from the submission of the application), shortening of the reporting, verification of expenditure and reimbursement processes, quickening of the FLC of report checking, reporting and ERDF payments also on project partner basis, etc. Limitation of the number of partners at the project level, should also be considered when this is appropriate due to the nature of projects.

- **Introduction of E-Government**

All five models of e-government: government to citizen, citizen to government, government to employees, government to government and government to business will be gradually introduced throughout the programming period to ensure a frictionless information and data flow between all the levels of governance and all the applicants and beneficiaries. Moreover, such an approach would reduce the necessity for the submission of hard copy documents and alleviate the submission of electronic based documentations.

8. SECTION 8: HORIZONTAL PRINCIPLES

(Reference: Article 8(7) of Regulation (EU) No 1299/2013)

8.1. Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

The Common Provisions Regulation (CPR) state: “The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity protection, disaster resilience, and risk prevention and management are promoted in the preparation and implementation of Partnership Agreements and programmes.”⁷

Important methodological tools in applying the principles of sustainable development in the preparation phase of the Programme are the Ex-ante evaluation, which ensures “the adequacy of planned measures to promote sustainable development”⁸, and even more the Strategic Environmental Assessment (SEA), which aims to “provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development.”

The ex-ante evaluation and the SEA process are carried out in parallel with the programming exercise throughout the programming phase, thereafter, the main findings of the evaluation and the SEA are incorporated into the final ex-ante/SEA report and are considered by the final programme document. The SEA summarizes that...To be further elaborated.

The premises of sustainable development have been duly considered throughout the whole programming period, starting with the selection of Investment Priorities which took into account the needs and challenges identified by the situation analysis.

The Programme contains two priority axes: one of them (Priority axis 1: TO6) by its nature supports sustainable development through its investment priority 6c. This IP focuses on the implementation of sustainable forms of green tourism with preservation, restoration and development of cultural and natural heritage sites. Under Investment Priority 6c certain investments in infrastructure are foreseen, nevertheless, these are primarily small scale infrastructural initiatives aiming at natural and cultural resources preservation, whereupon also the danger of creating additional burden on nature by the programme is neglectable.

The second priority axis (Priority axis 2: TO11) of the Programme deals with the promotion of cooperation between citizens and institutions, thus does not directly involve sustainable development issues. Nevertheless, it is quite likely that projects supported under this priority will also address aspects of sustainable development by exploiting the potentials of cross-border relations in terms of providing a good quality of life.

Furthermore, sustainable development will be considered throughout the program implementation phase. Projects’ assessment, selection, implementation, monitoring and evaluation will be guided by the following principles:

⁷ CPR, Article 8.

⁸ CPR, Article 55 (m).

- Selection of investment related projects in view of highest resource efficiency and sustainability.
- Prevention of investments, which could lead to significant negative environmental and climate effects.
- Consideration of long-term prospects of life cycle costs when comparing various investment options.

Regarding the content assessment, all (planned and submitted) projects regardless under which Priority Axis they fall, will be encouraged to consider environmental concerns and reduce their environmental impact by (if applicable):

- Contribution to reduced transport and mobility related air pollution.
- Contribution to the development of green infrastructures and technologies.
- Contribution to more employment opportunities, training and education possibilities as well as support services regarding environmental protection and sustainable development.
- Application of green public procurement in a methodological way.

8.2. Equal opportunities and non-discrimination

The Common Provisions Regulation (CPR, Article 7) states: “Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes.”

The Common Provisions Regulation (CPR) states: “The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes [...]”⁹

The Programme adopts the premises of social inclusion and follows the principles of equal opportunities and non-discrimination based on inter alia racial or ethnic origin, religion or belief, disability, age or sexual orientation, and thus, ensure there consideration in all phases of the implementation of the Programme. Moreover, it takes into account the needs of various target groups at risk of such discrimination and the requests ensuring accessibility for persons with mental and physical disabilities.

In general, all projects (planned and submitted) will be obliged to avoid any kind of discrimination and to ensure that project activities comply with the principles of equal opportunities.

Furthermore, all projects will be encouraged to integrate measures, which actively seek to diminish the specific challenges identified in the programme area. According to Section 1, which is based on the Programme’s situation and SWOT analyses, the majority of the programme area is clearly characterized by rural features, dominated by small villages. Apart from some larger cities standing out in their economic, innovation and research activities, the rest of the programme area is less accessible in terms of transport, and shows lower profile in terms of economic performance. These features go together with higher level of social challenges (poverty,

⁹ CPR, Article 7.

unemployment rates, migrations, brain drain etc.). These challenges will be tackled by projects, which will include activities that foster a better social inclusion of disadvantaged groups (e.g. long-term unemployed, older workers, drop-outs and under-qualified, people with disabilities, ethnic minorities, people with a migration background) by creating job opportunities in the green tourism sector and/or other key sectors of the region (e.g. agriculture).

This cross-cutting theme is most likely to appear under all Priority Axes. Priority axis 1 focuses on the implementation of sustainable forms of green tourism with preservation, restoration and development of cultural and natural heritage sites as its very basis. Upon this, it will be necessary to ensure the accessibility of the supported touristic sites for people with physical disabilities in terms of physical infrastructure and services that they will be family friendly and non-exclusive (e.g. special discount offers for socially and economically vulnerable groups like elderly and unemployed people as well as for large groups and students). Non-discrimination and equal opportunities will also be supported by creating virtual access to project sites.

Priority axis 2 aims at strengthening cross-border cooperation of regional stakeholders, whereupon an important contribution to an increased respect, tolerance and mutual understanding between the neighbouring regions/citizens will be created. As of that, emphasis will be put on creating socially sustainable communities that are connected, democratic, varied and unprejudicial, and thus, provide a good quality of life for their citizens. Moreover, special attention will be given to national and ethnic minorities, which contribute importantly to the cultural diversification of the SI-HU programme area.

8.3. Equality between men and women

The aim of equality between women and men is part of the fundamental values of the European Union. Article 3 of the Treaty of Lisbon sets out that the Union shall “combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child”.

The elimination of inequalities and the promotion of equality between women and men are also included in the consolidated version of the Treaty on the Functioning of the European Union.

One of the fundamental values of the European Union is to establish equality between men and women, which is laid down in numerous fundamental documents of the EU. The Treaty on the European Union in Article 3 state: “It (EU) shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child”. Moreover, the elimination of inequalities as well as the encouragement of equality between men and women is part of the consolidated version of the Treaty on the Functioning of the European Union.¹⁰ The implementation of the ESI Funds of the European Union has to be line with the fundamental values as stated in the Common Provisions Regulation (CPR): “The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective are

¹⁰ “Article 8, CONSOLIDATED VERSION OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION, Official Journal of the European Union C 83/49 of 30.3.2010.

taken into account and promoted throughout the preparation and implementation of programmes, including in relation to monitoring, reporting and evaluation”¹¹ and that the “The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, [...] during the preparation and implementation of programmes [...]”¹²

The Programme adopts the premises of equality between men and women and based on that will ensure their consideration in all phases of the programme implementation including preparation, implementation, monitoring and evaluation of projects (e.g. number of men and women involved in project activities and/or benefiting from funding).

In general, all projects (planned and submitted) will be obliged to avoid any kind of discrimination and to ensure that project activities comply with the principles of equality between men and women. Moreover, projects will be encouraged to foster gender mainstreaming as set out in the EQUAL Guide on Gender Mainstreaming: “To make gender equality part of this dominant (mainstream) trend in society so that women and men benefit equally. It means looking at every step of policy – design, implementation, monitoring and evaluation – with the aim of promoting equality between women and men.”¹³

¹¹ CPR, Article 7.

¹² CPR, Article 7.

¹³ EQUAL Guide on Gender Mainstreaming, European Commission. (2004). Directorate-General for Employment, Social Affairs and Equal Opportunities.

9. SECTION 9: SEPARATE ELEMENTS

9.1. Major projects to be implemented during the programming period

(Reference: point (e) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 28. List of major projects

Project	Planned notification/ submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority axes/ investment priorities
Not applicable				

9.2. Performance framework of the cooperation programme

Table 29. Performance framework (summary table)

The summary table is generated automatically by the SFC2014 based on the tables outlined by priority axis.

9.3. Relevant partners involved in the preparation of the cooperation programme

To be further elaborated

9.4. Applicable programme implementation conditions governing the financial management, programming, monitoring, evaluation and control of the participation of third countries in transnational and interregional programmes through a contribution of ENI and IPA resources

(Reference: Article 26 of Regulation (EU) No 1299/2013)

Not applicable

ANNEXES

Uploaded to the electronic data exchange system as separate files

A	Draft report of the ex-ante evaluation, with an executive summary (mandatory)
B	Confirmation of agreement in writing to the contents of the cooperation programme (mandatory)
C	NUTS-3 regions covered by the cooperation programme; map of the area
D	A citizens' summary of the cooperation programme (<i>will be added in the final version</i>)