

Annual Implementation Report

**on implementation of the Programme
in the financial year 2016**

1. IDENTIFICATION OF THE ANNUAL/FINAL IMPLEMENTATION REPORT

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| CCI | 2014TC16I5CB004 |
| Title | <i>Annual Implementation Report</i> |
| Version | 1.0 |
| Reporting year | 2016 |
| Date of approval of the report by the Joint monitoring committee | 19 June 2017 |

2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (Article 50(2) of Regulation (EU) No 1303/2013 and Article 14(3)(a) of Regulation (EU) No 1299/2013)

Key information on the implementation of the cooperation programme for the year concerned, including on financial instruments, with relation to the financial and indicator data.

In 2016, the Managing Authority (MA) coordinated and carried out the activities related to implementation of the Programme and setting up of system structure which included: setting up of the Joint Monitoring Committee (JMC), setting up the management and control system, launching the 1st Call for proposals (CfP) and coordinating assessment and selection process, organizing technical meetings with National Authorities (NAs), employment of staff in the MA/Joint Secretariat (JS), improving functionalities of the electronic monitoring system (eMS), preparing the evaluation plan and implementing Programme information and communication activities.

Set up of the JMC

The 1st JMC meeting was held on 24 February 2016 in Mostar on which the following documents were approved: JMC Rules of Procedures, Programme rules on eligibility of expenditures, Application Package for 1st CfP and Communication Strategy. Furthermore, 4 JMC written procedures were launched by the MA during 2016. The first written procedure was launched in May 2016 resulting in the adoption of the Annual Implementation Report for the financial years 2014 and 2015. The second written procedure was launched in July 2016 resulting in the adoption of the Rules of Procedures of Joint Steering Committee (JSC) and JSC members and deputy members. The third written procedure was launched in November 2016 resulting in adoption of the Evaluation Plan and the fourth written procedure was launched in December 2016 resulting in the approval of the Technical Assistance Budget of the MA and JS, and the JS Annual Work Plan for 2017.

Set up of the management and control system

The MA continued with setting up of the management and control system and preparation of the Description of the Management and Control System and other related documents.

The MA submitted the first version of the designation package to Audit Authority (AA) for examination of the compliance with the designation criteria set out in Annex XIII to CPR on 20 December 2016.

The designation package consisted of the Description of the Management and Control System and related annexes: Manual of Procedures of the MA, Manual of Procedures of the JS, Manual of Procedures of the CA, Control Guidelines for IPA CBC Programmes, Description of National Control System in the Republic of Croatia, Description of National Control System in Bosnia and Herzegovina, Description of National Control System in Montenegro, Manual for Managing Technical Assistance and Fraud Risk Assessment.

Technical meetings of MA and National Authorities

During 2016 the MA held three technical meetings with the NAs in order to discuss and agree on the system set up and Technical Assistance (TA) budget and to draft relevant documents for the Description of the Management and Control System.

The 1st Technical Meeting was held in Podgorica on 27 January 2016. The MA and NAs discussed the Programme rules on eligibility of expenditures, Memorandum of Understanding, national control systems for Croatia, Bosnia and Herzegovina and Montenegro, Application Package for the 1st CfP and the Programme budget.

The 2nd Technical Meeting was held in Mostar on 23 February 2016. The MA and NAs discussed the final version of Programme rules on eligibility of expenditures, TA budgets and TA Agreements.

The 3rd Technical Meeting was held in Split on 11 March 2016. The MA and NAs discussed the description for national control systems, TA budgets and TA Agreements, and Memorandum of Understanding.

Human resources

During 2016, besides six people already employed (Head of Service, Communication Officer, Legal Officer, IT Officer, 2 Programme Managers - HR-BA-ME and HR-RS) there were no further employments in the MA. The procurement procedure for employment of JS staff (Project and Financial Manager) was launched in November 2015 and was finished in March 2016. Two new JS staff members were employed in April 2016.

The procurement procedure for employment of Project Manager in JS branch office (in Herceg Novi) was launched in January 2016 by the Montenegrin National Authority, Ministry of Foreign and European Affairs. Project manager in Joint Secretariat branch office was employed in March 2016. By the end of 2016, there were 5 JS staff employed (4 Project/Financial Managers and Head of Service).

In total, both MA and JS staff members attended 22 different trainings/workshops/seminars in the course of 2016.

Launching of the 1st Call for Proposals

At the beginning of 2016, the MA started to prepare the Application Package for the 1st CfP and to adjust the eMS for launching of the 1st CfP. Additionally the eMS was tested and prepared for other relevant implementation phases: assessment of project proposals, contracting, reporting, etc.

The 1st Call for proposals was launched through the eMS on 9 March 2016.

Both phases of the assessment process (administrative compliance and eligibility check, and quality check) were done through the eMS.

The assessment and selection procedure of the project proposals was coordinated by the JSC.

Information and communication activities

In line with the adopted Programme Communication Strategy and Annual Communication Plan for 2016, the MA implemented different information and communication activities.

The MA organized Programme launching conference on 10 March 2016 in Split, which marked the publishing of the 1st CfP and the beginning of the implementation of the Programme. The conference was attended by more than 200 national, regional, local and other relevant stakeholders from all three countries participating in the Programme.

After the publication of the 1st CfP, the MA and JS organised seven information sessions in Podgorica, Mostar, Zadar, Tuzla, Banja Luka, Herceg Novi, and Slavonski Brod. The MA and JS staff presented the Cooperation Programme, Guidelines for Applicants, application procedure through eMS, project budget, assessment and selection process and other technical information. The presentations given at the information sessions were published on the Programme website.

Furthermore, the MA and JS organised three project clinics in Zagreb, Budva and Sarajevo during May 2016. The aim of project clinics was to provide assistance to applicants whose project proposals were at the advanced level of preparation and need final assistance concerning project design and/or preparation of project budget.

Each information session and project clinic was attended by more than 80 participants.

The MA organized the European Cooperation Day celebrating the achievements of cross-border, transnational and interregional cooperation in the regions and countries throughout Europe in Skradin on 23 September 2016. The MA presented the achievements of both Interreg IPA CBC Programmes at the event.

The MA maintained the Programme website and social networks. Around 40 news posts were published on Programme's activities on the Programme web site in 2016.

3. IMPLEMENTATION OF THE PRIORITY AXIS (Article 50(2) of Regulation (EU) No 1303/2013)

3.1. Overview of the implementation

| ID | Priority axis | Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems |
|-----|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PA1 | Improving the quality of the services in public health and social care sector | The 1st Call for proposals was published on 9th March and was opened until 15th June 2016. |
| PA2 | Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency | The amount allocated to the 1st Call for Proposals was 25.016.349,00 EUR, out of which 21.262.897,00 EUR represents EU co-financing and 3.752.452,00 EUR represents national co-financing. 164 project proposals were received. |
| PA3 | Contributing to the development of tourism and preserving cultural and natural heritage | The evaluation and selected procedure of the project proposals was coordinated by the Joint Steering Committee set up by the JMC. There were four JSC meetings held in 2016, in September, October and two in December 2016. |
| PA4 | Enhancing competitiveness and developing business environment in the programme area | The assessment process was conducted in two steps: 1. Administrative compliance and eligibility check; 2. Quality assessment. |
| PA5 | Technical Assistance | <p>Technical assistance activities are implemented by the MA and other Programme bodies involved in the management of the Programme.</p> <p>Under Priority axis 5, the following actions were carried out in the reporting period:</p> <ul style="list-style-type: none"> • JS supporting the managing authority and assisting the joint monitoring committee in the implementation and day-to-day management of the Programme set up and managed; • 1st Call for proposals, including the development of guidance documents setting out the conditions for the support of operations prepared and published; • Procedures for the quality assessment, monitoring and control of operations implemented under the cooperation programme, (making use of experts where relevant) and contributing to the reduction of administrative burden for beneficiaries set up and implemented; • Programme Communication Strategy adopted; • The programme evaluation plan drafted and adopted; • Computerised system (eMS) to record and store data on each operation necessary for the |

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| | | <p>monitoring, evaluation, financial management, verification and audit (including data on individual participants in operations where applicable, in compliance with electronic data exchange requirements provided for in Article 122(3) of the CPR and in related implementing acts) and contributing to the reduction of administrative burden for beneficiaries set up whereas running and maintenance started;</p> <ul style="list-style-type: none"> • Trainings and capacity building to the programme management structure ensured; Information documents for applicants and beneficiaries to guide them in the preparation of applications and the implementation, evaluation, control and communication of approved operations drafted; • Consultation, information, training and exchange events to strengthen the capacity of applicants to develop applications directly contributing to the programme specific objectives and expected results organised; • Information and exchange tools (e.g. analytical documents, bilateral meetings, targeted events, etc.) and organising cross-border and national events to strengthen the involvement of relevant partners in the implementation of the programme developed; • Joint secretariat in implementing tasks related to the implementation of the programme at national level set up and coordinated. |
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3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

Data for common and programme-specific indicators by investment priority transmitted using the tables 1 to 2 below.

Table 1

Result indicators (by priority axis and specific objective); applies also to technical assistance priority axis

| Automatic from SFC | | | | | | ANNUAL VALUE | |
|--------------------|-----------|-------------|----------|----------|--------------|--------------|-----------------------------|
| ID | Indicator | Measurement | Baseline | Baseline | Target Value | 2016 | Observations (if necessary) |

| | | Unit | Value | Year | (2023) | | |
|-----|----------------------------------------------------------------------------------------------|------------|------------------|------|------------------|-----|----------------------------------------------------------------------------------------------------------|
| PA1 | The level of accessibility and availability of the services within public health care sector | Percentage | 44% | 2015 | 75% | 0 | The annual values are 0 since there are no selected and implemented operations in this reporting period. |
| PA2 | Disaster response capability in the programme area | Percentage | 55 | 2015 | 89 | 0 | The annual values are 0 since there are no selected and implemented operations in this reporting period. |
| PA2 | Energy consumption by public buildings in the programme area | kWh | 2,697,101,345.25 | 2010 | 2,508,304,251.08 | 0 | The annual values are 0 since there are no selected and implemented operations in this reporting period. |
| PA3 | Increase in arrivals of non-residents staying in hotels and similar establishments | Number | 73,522,546 | 2012 | 73,591,990 | 0 | The annual values are 0 since there are no selected and implemented operations in this reporting period. |
| PA4 | Range of cluster activities enhancing innovation, new technologies and ICT solution | Number | 33 | 2015 | 49 | 0 | The annual values are 0 since there are no selected and implemented operations in this reporting period. |
| PA5 | Technical Assistance | N/A | N/A | N/A | N/A | N/A | Not applicable for this Priority Axis. |

Table 2

Common and programme specific output indicators (by priority axis, investment priority); applies also to technical assistance priority axes

| | ID | Indicator (name of indicator) | Measurement unit | Target value (2023) | CUMULATIVE VALUE | Observations (if necessary) |
|-------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|------------------|------------------------------------------------------------------------------------------------------------|
| | | | | | 2016 | |
| | PA1 | Number of jointly developed and/or implemented tools and services/ that enable better quality of health and/or social care services | Number | 11 | 0 | The cumulative value is 0 since there are no selected and implemented operations in this reporting period. |
| | | Number of participants in joint education and training schemes on health and/or social care | Number | 343 | | |
| | | Population covered with improved health and/or social care services | Number | 300.000 | | |
| Selected operations [forecast provided by beneficiaries] | | | | | N/A | Not applicable since there are no selected operations in this reporting period. |
| Fully implemented | | | | | N/A | Not applicable since there are no operations implemented in |

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|-------------------------------------------------------------|-----|------------------------------------------------------------------------------------|--------|---------|-----|--------------------------------------------------------------------------------------------|
| operations [actual achievement] | | | | | | this reporting period. |
| | PA2 | Surface area of habitats supported in order to attain a better conservation status | Ha | 14 | 0 | The cumulative value is 0 since there are no selected operations in this reporting period. |
| | | Area covered by improved emergency preparedness and risk prevention systems | Km2 | 17 | | |
| | | Population benefiting from flood protection measures | Number | 150.000 | | |
| | | Additional capacity of renewable energy production | MW | 32 | | |
| Selected operations [forecast provided by beneficiaries] | | | | | N/A | Not applicable since there are no selected operations in this reporting period. |
| Fully implemented operations [actual] | | | | | N/A | Not applicable since there are no operations implemented in this reporting period. |

| achievement] | | | | | | |
|--------------|-----|----------------------------------------------------------------------------------------------------------------------------------|--------|-----|---|--------------------------------------------------------------------------------------------|
| | PA3 | Number of joint tourism offers/products developed and/or implemented and promoted | Number | 23 | 0 | The cumulative value is 0 since there are no selected operations in this reporting period. |
| | | Number of tourism providers with (international) certifications and standards | Number | 10 | | |
| | | Number of tourism supporting facilities and/or tourism infrastructure developed and/or improved | Number | 13 | | |
| | | Number of sustainable management plans for cultural and natural heritage sites developed and/or implemented | Number | 7 | | |
| | | Number of participants trained in quality assurance, standardisation on cultural and natural heritage and destination management | Number | 343 | | |
| | | Number of cultural and natural assets developed and/or improved | | | | |

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|-------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------|--------|----|-----|--------------------------------------------------------------------------------------------|
| | | | Number | 14 | | |
| Selected operations [forecast provided by beneficiaries] | | | | | N/A | Not applicable since there are no selected operations in this reporting period. |
| Fully implemented operations [actual achievement] | | | | | N/A | Not applicable since there are no operations implemented in this reporting period. |
| | PA4 | Number of cross-border business clusters and/or networks developed and/or implemented | Number | 11 | 0 | The cumulative value is 0 since there are no selected operations in this reporting period. |
| | | Number of business support institutions supported | Number | 17 | | |
| | | Number of laboratories and/or competence centres jointly used by the entrepreneurs developed or improved | Number | 16 | | |
| | | Number of enterprises and business support institutions | | | | |

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|-------------------------------------------------------------|-------|----------------------------------------|--------|----|-----|------------------------------------------------------------------------------------|
| | | cooperating with research institutions | Number | 23 | | |
| Selected operations [forecast provided by beneficiaries] | | | | | N/A | Not applicable since there are no selected operations in this reporting period. |
| Fully implemented operations [actual achievement] | | | | | N/A | Not applicable since there are no operations implemented in this reporting period. |
| | PA5.1 | Joint secretariat established | Number | 1 | 0 | The Joint Secretariat was established in May 2015. Three more JS staff members |

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|-------|-----------------------------------------------------------------------------|--------|---|--|---|-------------------------------------------------------------------------------------------------------|
| | | | | | | employed in 2016. |
| PA5.2 | Calls for proposals successfully launched and closed | Number | | | 1 | The 1st Call for proposals was published on 9th March until 15th June 2016. |
| PA5.3 | Operations approved following calls for proposals | Number | | | 0 | 164 project proposals were received; the assessment and evaluation process was still ongoing in 2016. |
| PA5.4 | Periodic progress reports of operations monitored and paid | Number | | | 0 | No contracted projects in 2016. |
| PA5.5 | Joint Monitoring Committee meetings held | Number | 9 | | 1 | The 1 st Joint Monitoring Committee was held on 24 February 2016 |
| PA5.6 | On-the-spot visits carried out | Number | | | 0 | No on-the spot visits carried out in 2016. |
| PA5.7 | Programme communication strategy developed and implemented | Number | 1 | | 1 | Programme Communication Strategy adopted and implemented in 2016. |
| PA5.8 | Independent programme evaluations implemented (ex-ante and during programme | Number | 2 | | 0 | N/A for the reporting period |

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| | | implementation) | | | | |
| | PA5.9 | Programme e-Monitoring System developed, implemented and used | Number | 1 | 1 | The eMS has been used during the application and assessment of project proposals. |
| | PA5.10 | Network of controllers established | Number | 1 | 0 | |
| | PA5.11 | Audits on programme management and control system and on operations conducted | Number | | 0 | |
| | PA5.12 | Information documents addressed to applicants and beneficiaries | Number | | 22 | 8 documents were prepared within the Application Package. 2 offline templates were prepared as assistance in planning the project application. 4 presentations given at the information sessions, 2 presentations given at the project clinics and 5 Q&A documents were published on Programme website. Additionally, Programme rules on eligibility of expenditures were prepared prior to launching of the CfP. |

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|--|--------|-------------------------------------------------------------------------------------------------------|--------|----|------|----------------------------------------------------------------------------------------------------------------------------------------------|
| | PA5.13 | Consultation, information, training and exchange workshops for applicants and beneficiaries organised | Number | | 10 | 7 Information sessions and 3 project clinics were organised and held in 2016 after the publication of the 1 st Call for proposals |
| | PA5.14 | Studies, reports and surveys on strategic matters concerning the programme carried out | Number | | 0 | |
| | PA5.15 | Training and building capacity for programme management structure ensured | Number | | 22 | Trainings/workshops/seminars attended by the MA and JS staff in 2016. |
| | PA5.16 | Number of employees (Full Time Equivalents) whose salaries are co-financed by technical assistance | Number | 15 | 8,33 | 100% salary for 6 employees, 50% salary for four employees and 33% salary for one employee are co-financed by technical assistance. |
| | PA5.17 | Programme 2021-2027 prepared and related ex-ante evaluation and SEA conducted | Number | | 0 | N/A for reporting period |

3.3 Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013) — submitted in annual implementation reports from 2017 onwards

Reporting on financial indicators, key implementation steps, output and result indicators to act as milestones and targets for the performance framework (submitted starting with the report in 2017).

Table 3

Information on the milestones and targets defined in the performance framework

As initially envisaged during the programming period, performance framework was not mandatory requirement for Interreg IPA CBC Programmes therefore it was not introduced in the Cooperation Programme. Only as of the beginning of 2017 that it was decided and communicated by the European Commission to the Managing Authority that the performance framework also needs to be introduced into Interreg IPA CBC Programmes. Therefore the performance framework will be part of the CP as of 2017 and part of the reporting as of 2018.

3.4. Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

Table 4

Financial information at priority axis and programme level as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 [Model for transmission of financial data] and table 16 of model for cooperation programmes under the European territorial cooperation goal

Where applicable, the use of any contribution from third countries participating in the cooperation programme should be provided (for example IPA and ENI, Norway, Switzerland)

| Priority axis | Basis for calculation of Union support (Total eligible cost or public eligible cost) | Union support (a) | National counterpart (b) = (c) + (d) | Indicative breakdown of the national counterpart | | Total funding (e) = (a) + (b) | Co-financing rate (f) = (a)/(e) (2) | For information | |
|-----------------|--------------------------------------------------------------------------------------|-------------------|--------------------------------------|--------------------------------------------------|----------------------------------|-------------------------------|-------------------------------------|------------------------------------|-------------------|
| | | | | National Public funding (c) | National private funding (d) (1) | | | Contributions from third countries | EIB contributions |
| Priority axis 1 | Total eligible cost | 0 | 0 | 0 | | 0 | 84,99% | N/A | N/A |
| Priority axis 2 | Total eligible cost | 0 | 0 | 0 | | 0 | 84,99% | N/A | N/A |
| Priority axis 3 | Total eligible cost | 0 | 0 | 0 | | 0 | 84,99% | N/A | N/A |

| | | | | | | | | | |
|------------------------|---------------------|------------|-----------|-----------|--|------------|--------|-----|-----|
| Priority axis 4 | Total eligible cost | 0 | 0 | 0 | | 0 | 84,99% | N/A | N/A |
| Priority axis 5 | Total eligible cost | 207.052,97 | 36.538,76 | 36.538,76 | | 243.591,73 | 84,99% | N/A | N/A |
| Total | Total | 207.052,97 | 36.538,76 | 36.538,76 | | 243.591,73 | 84,99% | N/A | N/A |

Table 5

Breakdown of the cumulative financial data by category of intervention (Article 112(1) and (2) of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1304/2013)

(as set out in Table 2 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 [Model for transmission of financial data] and tables 6-9 of Model for cooperation programmes)

| Priority axis | Code | Total amount (EUR) |
|----------------------|------------------------------------------------------------|---------------------------|
| PA5 | 121 Preparation, implementation, monitoring and inspection | 168.136,71 |
| PA5 | 122 Evaluation and studies | 0 |
| PA5 | 123 Information and communication | 75.455,02 |


| Priority axis | Code | Amount (EUR) |
|----------------------|------------------------|---------------------|
| PA5 | 01 Non-repayable grant | 243.591,73 |

| Priority axis | Code | Amount (EUR) |
|---------------|----------------------------------------------------------------|--------------|
| PA 5 | 01 Large Urban areas (densely populated > 50 000 population) | 243.591,73 |
| PA 5 | 02 Small Urban areas (intermediate density > 5 000 population) | 0 |
| PA 5 | 03 Rural areas (thinly populated) | 0 |
| PA 5 | 04 Macro regional cooperation area | 0 |

Table 6

Cumulative cost of all or part of an operation implemented outside the Union part of the programme area

| 1 | 2 | 3 | 4 | 5 |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | The amount of ERDF support envisaged to be used for all or part of an operation implemented outside the Union part of the programme area based on selected operations (EUR) | Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%) (column 2/total amount allocated to the support from the | Eligible expenditure of ERDF support incurred in all or part of an operation implemented outside the Union part of the programme area declared by the beneficiary to the managing authority (EUR) | Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%) (column 4/total amount allocated to the support from the |

| | | ERDF at programme level *100) | | ERDF at programme level *100) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------|-------------------------------|
| All or part of an operation outside the Union part of the programme area  | <i>N/A: There is no operation selected in this reporting period.</i> | | <i>N/A: There is no operation selected in this reporting period</i> | |

4. SYNTHESIS OF THE EVALUATIONS (Article 50(2) of Regulation (EU) No 1303/2013)

Synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, including the name and reference period of the evaluation reports used.

There were no evaluations carried out in 2016.

5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (article 50(2) of Regulation (EU) No 1303/2013)

(a) Issues which affect the performance of the programme and the measures taken

| Issues which affect the performance of the Programme | Measures taken |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Using the new monitoring system (eMS) <ul style="list-style-type: none"> - Electronic monitoring system is used in all phases of the Programme implementation - The system was not adapted to the Programme needs and specificities - The beneficiaries/Programme bodies were unfamiliar with the system and online submission of the project proposals | The electronic monitoring system (eMS) was tested and adapted to the Programme specificities. The MA attended trainings and meetings of the working group for eMS. The MA provided guidelines, manuals and trainings to the beneficiaries and Programme bodies on the relevant parts implementation process in the eMS. |
| Insufficient interest for the Programme funding opportunities | The MA set up the Programme website and social media accounts in order to promote the Programme. Programme website contains the partner search forum to enable interested |

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| | <p>applicants to form project partnerships.</p> <p>The MA organized Launching Conference to mark the beginning of the Programme implementation and the publishing of the 1st CfP. The conference was attended by more than 200 participants and covered by more than 15 different media.</p> <p>After the publication of the 1st CfP, the MA and JS organised seven information sessions and three project clinics to provide assistance to potential applicants.</p> |
| <p>Designation procedure prolongation</p> <ul style="list-style-type: none"> - harmonization of complex procedures between participating countries/Programme bodies - expected change in the legal status of Programme bodies (MA) | <p>The MA coordinated setting up of the management and control system by organizing meetings with the National Authorities and other Programme bodies in order to discuss and agree on different Programme documents/guidelines.</p> <p>The MA in coordination with AA decided to prepare the DMCS and related annexes taking into account the present system structure before the process of changing the legal status of the MA is finalized.</p> |

6. CITIZEN'S SUMMARY (Article 50(9) of Regulation (EU) No 1303/2013)

A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report.

A citizen's summary of the contents of the annual implementation report is Annex 1 to the annual implementation report and shall be published on the Programme website.

7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS (Article 46 of Regulation (EU) No 1303/2013)

Where the managing authority decided to use financial instruments it must send to the Commission a specific report covering the financial instruments operations as an annex to the annual implementation report

N/A: Managing Authority did not decide to use financial instruments.

8. WHERE APPROPRIATE, PROGRESS IN PREPARATION AND IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS (Article 101(h) and Article 111(3) of Regulation (EU) No 1303/2013 and Article 14(3)(b) of Regulation (EU) No 1299/2013)

N/A: Implementation of major projects and joint action plans is not planned within the Programme.

PART B

REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)

9. ASSESSMENT OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)

9.1 Information in Part A and achieving the objectives of the programme (Article 50(4) of Regulation (EU) No 1303/2013)

FOR EACH PRIORITY AXIS — Assessment of the information provided above and progress towards achieving the objectives of the programme, including the contribution of the ERDF to changes in the value of result indicators, when evidence is available from evaluations

There were no ex-ante conditionalities to be implemented after the adoption of the Cooperation Programme. In 2016, the key milestone achieved was the publication of the 1st Call for Project Proposals and the establishment of the management and control system together with the submission of the designation package to the Audit Authority. The evaluation and the assessment process of 164 received project proposals was carried out during the last quarter of 2016, with the contracting planned for the first half of 2017. There were no Programme evaluations carried out in 2016. Contribution to the ERDF to changes in the value of result indicators is not visible during this reporting period, the achievement of indicators will be more visible once the projects are contracted and implemented.

9.2. Specific actions taken to promote equality between men and women and to promote non-discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation programme and operations (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (d) of Regulation (EU) No 1299/2013)

An assessment of the implementation of specific actions to take into account the principles set out in Article 7 of Regulation (EU) No 1303/2013 on promotion of equality between men and women and non-discrimination, including, where relevant, depending on the content and objectives of the cooperation programme, an overview of specific actions taken to promote equality between men and women and to promote non-discrimination, including accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation programme and operations

The MA and JS staff have been selected on the basis of the equal opportunity and non-discrimination principle.

All operations will have to demonstrate in the application form how they intend to contribute to the equal opportunities and non-discrimination, either through operation staff or focus of the topic on equal opportunities and non-discrimination as defined in the Guidelines for Applicants.

9.3. Sustainable development (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (e) of Regulation (EU) No 1299/2013)

An assessment of the implementation of actions to take into account the principles set out in Article 8 of Regulation (EU) No 1303/2013 on sustainable development, including, where relevant, depending on the content and objectives of the cooperation programme, an overview of the actions taken to promote sustainable development in accordance with that Article

The sustainable development is one of the key issues for the programme area as it is described in the Cooperation Programme (Section 6.1). This trilateral programme with its territory rich in natural and cultural resources has a vast potential to improve the cross border environmental and nature protection, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management and sustainable energy and energy efficiency.

The Programme's main principle is to support cross border cooperation actions and pilot projects in programme priority areas such as strengthening social and health care services, protecting and preserving environment and nature, improving risk prevention and promoting the use of sustainable energy, strengthening and further developing tourism as well as sustainable use of cultural and natural heritage and increasing the competitiveness of the programme area.

In the Guidelines for Applicants it was explicitly stated that the Programme horizontal theme - Sustainable development, shall be observed by all Applicants in the development and implementation of their Applications (Operations) – by activities that relate to the biodiversity and environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, energy efficiency and renewable energy, green entrepreneurship, business focused on sustainable development, preventions of investments with considerable negative environmental and climate effects and overall sustainability.

9.4. Reporting on support used for climate change objectives (Article 50(4) of Regulation (EU) No 1303/2013)

Figures calculated automatically by the SFC2014 based on categorisation data.

Optional: clarification on the given values

9.5 Role of partners in the implementation of the cooperation programme (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 1, (c) of Regulation (EU) No 1299/2013)

Assessment of the implementation of actions to take into account the role of partners referred to in Article 5 of Regulation (EU) No 1303/2013, including involvement of the partners in the implementation, monitoring and evaluation of the cooperation programme

After the programming period, the role of partners continued in the form of the Joint Monitoring Committee (JMC). On the 1st Joint Monitoring Committee held on 24 February 2016 the composition of the JMC members and Joint Monitoring Committee (JMC) Rules of Procedures and other relevant documents were adopted. Furthermore, 4 JMC written procedures were launched by the Managing Authority.

The eMS platform was established and provides basis for programme implementation procedures between beneficiaries and all Programme bodies, all Programme bodies have access to the eMS in accordance with defined roles in the relevant programme implementation procedures.

The Managing Authority ensured that all JMC members involved in the preparation of calls of proposals and implementation of the Programme are aware of their obligations related to data protection, confidentiality and conflict of interest, by signing the Declaration of confidentiality and impartiality.

10. OBLIGATORY INFORMATION AND ASSESSMENT ACCORDING TO ARTICLE 14(4), SUBPARAGRAPH 1 (a) AND (b), OF REGULATION (EU) No 1299/2013

10.1 Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations

There were no evaluations implemented in the reporting period. The Evaluation Plan was adopted in November 2016 by the JMC.

10.2 The results of the information and publicity measures of the Funds carried out under the communication strategy

During the reporting period the main tools used in the communication activities were the recognisable Interreg visual identity, Programme website, eMS and Programme events. The Annual Communication Plan was prepared for 2016 identifying main communication activities.

Due to the fact that the 1st Call for Proposals was published in 2016, the main targeted groups were potential beneficiaries and stakeholders. 7 information days and 3 project clinics were organised and attended by minimum 80 persons per event. 800 persons in total were informed and trained.

There was one launching conference organised and attended by more than 200 national, regional, local and other relevant stakeholders from all three countries participating in the Programme. This all resulted in 164 applications submitted which requested 8 times more funds than the available for the 1st Call for Proposals. The eMS was used during the application process by the applicants.

The European Cooperation Day celebrating the achievements of cross-border, transnational and interregional cooperation in the regions and countries throughout Europe was organised and attended by approximately 70 people.

Abovementioned activities in the programming period contributed substantially to the achievement of the specific objectives 1.1. to ensure successful communication between the programme bodies in order to implement the Programme and Communication Strategy successfully, 1.2. to raise awareness about Cooperation Programme and its funding opportunities and 1.3. to support the beneficiaries during operation implementation in order to ensure successful implementation of operations.

11. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE COOPERATION PROGRAMME (Article 14(4), subparagraph 2 (a), (b), (c) and (f), of Regulation (EU) No 1299/2013)

11.1 Progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the cooperation programme

The territorial dimension played a crucial role in the design of the Programme, as many challenges have an important territorial dimension such as social inclusion, biodiversity protection, surface water management, flood risk management and tourism development. In order to effectively address the above indicated challenges, the Programme encourages the development of “territorially and thematically integrated” operations.

This was done by demonstrating added value to an operation by addressing complementary SOs and by targeting specific interventions which complete or contribute to a territorially larger initiative during the application and assessment and evaluation process of the 1st Call for Proposals.

11.2 Progress in implementation of actions to reinforce the capacity of authorities and beneficiaries to administer and to use the ERDF

After the publication of the 1st Call for Proposals the Managing Authority and Joint Secretariat organised information days in Podgorica, Mostar, Zadar, Tuzla, Banja Luka, Herceg Novi, and Slavonski Brod. The Managing Authority and Joint Secretariat staff presented the Cooperation Programme, Guidelines for Applicants, submission of applications through electronic Monitoring System (eMS), project budget, assessment and selection process and other technical information. The presentations given at the information session were uploaded on the Programme website.

Furthermore, the Managing Authority and Joint Secretariat organised project clinics in Zagreb, Budva and Sarajevo during May 2016. The aim of project clinics was to provide assistance to applicants whose project proposals are at the advanced level of preparation and need final assistance concerning project design and/or preparation of project budget.

This was in total 10 events related to capacity building, attended by 80 persons per event, totalling in 800 persons receiving training on how to prepare and apply for the territorial cooperation funds as a part of the ERDF.

11.3 Contribution to macro-regional and sea basin strategies (where appropriate)

The Interreg IPA CBC Programme Croatia-Bosnia and Herzegovina-Montenegro 2014- 2020 (Cooperation Programme) shares its programme area with the European Union Strategies for the Danube, and Adriatic and Ionian Region. During the programming period the Cooperation Programme was harmonised with both abovementioned strategies, contributing to their goals. In the Guidelines for Applicants, it was clearly established that the applications contributing to the wider strategy on one or more policy levels (EU/macroeconomic/ national / regional/local) would receive additional points (1 to 3) during the quality assessment. The Managing Authority attended several meetings and conferences related to the implementation of macroeconomic strategies.

11.4 Progress in the implementation of actions in the field of social innovation

N/A

12. FINANCIAL INFORMATION AT PRIORITY AXIS AND PROGRAMME LEVEL (Articles 21(2) and 22(7) of Regulation (EU) No 1303/2013)

For the purpose of assessing progress towards the achievement of milestones and targets set for financial indicators in the years 2018 and 2023, table 4 of Part A of this Annex shall have the following two additional columns:

| 13 | 14 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Data for the purpose of the performance review and performance framework | |
| Only for report submitted in 2019: Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2018 Article 21(2) of Regulation (EU) No 1303/2013 | Only for final implementation report: Total eligible expenditure incurred and paid by beneficiaries by 31/12/2023 and certified to the Commission Article 22(7) of Regulation (EU) No 1303/2013 |
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Not applicable. This report is being submitted in 2017.