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Operational Programme

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TABLE OF CONTENT

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 (ARTICLE 24 (1) AND ARTICLE 7 (2) (a) ETC REGULATION) 1

1.1 Strategy for the cooperation programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion *1*

1.1.1. Geographical coverage of the programme area *1*

1.1.2. Analysis of the situation of the programme area *2*

1.1.3. Strengths, weaknesses, opportunities and threats of central Europe *7*

1.1.4. How the cooperation programme will address these needs and challenges *9*

1.1.5. Justification for the choice of thematic objectives *13*

1.2 Justification of the financial allocation *15*

SECTION 2. Description of the priority axes (Article 7 (2) (b) and (c) ETC Regulation) 20

Section 2.A. A description of the priority axes other than technical assistance (Article 7(2) (b) ETC Regulation)) *20*

PRIORITY *AXIS 1: Cooperating on innovation to make CENTRAL EUROPE more competitive* *20*

PRIORITY AXIS 2: Cooperating on low carbon strategies in CENTRAL EUROPE *31*

PRIORITY AXIS 3: Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE *44*

PRIORITY AXIS 4: Cooperating on transport to better connect CENTRAL EUROPE *57*

SECTION 2.B. A description of the priority axis for technical assistance (Article 7 2 (c) ETC Regulation) *68*

2.B.1. Specific objectives and expected results (Article 7 (2) (c) (i)-(ii) ETC Regulation *68*

2.B.2. The list of result indicators *69*

2.B.3. Actions to be supported and their expected contribution to the specific objectives (by priority axis) (Article 7 (2) (c) (iii) ETC Regulation) *70*

2.B.4 Categories of intervention (Article 7 (2) (c) (v) ETC Regulation) *73*

SECTION 3. The financing plan of the cooperation programme (ARTICLE 7 (2) (D) ETC Regulation .. 74

SECTION 4. Integrated approach to territorial development (ARTICLE 7(3) ETC REGULATION) 78

SECTION 5: Implementing provisions for the cooperation programme (Article 7 (4) ETC Regulation) 82

5.1 Identification of the relevant authorities and bodies (Article 7 (4) ETC Regulation) *82*

5.1.1. Procedure for setting up the joint secretariat *82*

5.1.2. A summary description of the management and control arrangements *82*

5.1.2.a. Monitoring Committee *83*

5.1.2.b. Responsibilities of Member States *84*

DRAFT

5.1.2.c. Managing Authority with additional functions of Certifying Authority *84*
5.1.2.d. Audit Authority *84*
5.1.2.e. Joint Secretariat *84*
5.1.2.f. Network of Contact Points *85*
5.1.2.g. Project Types *85*
5.1.2.h. Project Cycle *85*
5.1.2.i. Annual and Final Implementation Reports *90*
5.1.2.j. Programme evaluation *90*
5.1.2.k. Computerised Exchange of Data *91*
5.1.2.l. Contribution of the Member States to the financing of Technical Assistance *92*
5.1.2.m. Information and Communication *92*
5.1.3. The apportionment of liabilities among the participating Member States in case of financial corrections imposed by the managing authority or the Commission..... *92*
5.1.4. Use of the Euro (Article 26 ETC Regulation)..... *93*
5.2. Involvement of partners (Article 23(2) CPR and Article 7 (4) (c) ETC Regulation) *93*

SECTION 6. Coordination - Article 7(5) (a) ETC Regulation 97
6.1 Coordination with other ESI Funds 97
6.2 Coordination with other Union instruments 97
6.3 Coordination with ENI and IPA 98
6.4 Coordination with relevant national funding instruments 99
6.5 Coordination with the EIB 99

SECTION 7. Reduction of the Administrative burden for beneficiaries – (Article 7 (5) (b) ETC regulation) 102

SECTION 8. Horizontal Principles (Article 7(3) ETC regulation) 104
8.1. Sustainable development *104*
8.2. Equal opportunities and non-discrimination *105*
8.3. Equality between men and women *107*

SECTION 9. Separate elements - presented as annexes in printed document version 108

DRAFT

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 (ARTICLE 24 (1) AND ARTICLE 7 (2) (a) ETC REGULATION)

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

Description of the cooperation programme's strategy to contribute 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. Geographical coverage of the programme area

Covering an area of over 1 million km² CENTRAL EUROPE has been home to about 142 million people in 2011. The programme area covers nine Member States. Seven out of these are participating in their entirety in the CENTRAL EUROPE Programme, namely: Austria, Croatia, the Czech Republic, Hungary, Poland, Slovakia and Slovenia. Two countries are partly participating: Germany (with the federal states of *Baden-Württemberg, Bayern, Berlin, Brandenburg, Mecklenburg-Vorpommern, Sachsen, Sachsen-Anhalt*) and Italy (with the regions *Emilia-Romagna, Friuli Venezia Giulia, Liguria, Lombardia, Piemonte, Provincia Autonoma Bolzano, Provincia Autonoma Trento, Valle d'Aosta, and Veneto*). In total 77 NUTS 2 regions are included (see the full list in Annex xx).

Map 1: Location of the area of CENTRAL EUROPE 2020

Source: OIR, 2013

1.1.2. Analysis of the situation of the programme area

The programme area is highly heterogeneous in geographical terms (including coastal areas, mountain ranges, rural areas, large urban agglomerations etc.) as well as in economic and social terms (with a still visible east-west divide). The area has a large number of assets but also faces numerous challenges, which are analysed below following eight main topics[1], namely globalisation and economic development; social cohesion; demographic change; climate change; energy; natural and cultural resources; accessibility, transport and communication infrastructure; and governance structures. A detailed territorial analysis of the central Europe area has been carried out in 2012 and is provided in Annex xx.

Globalisation and economic development

The central Europe area is characterised by a significantly uneven distribution of economic strength, which is based partly on the historic economic development (east-west divide) and partly on structural differences between regions (urban and industrialised vs. rural and peripheral regions). Research and development (R&D) as well as investments are concentrated in few, mostly urban growth poles (Eurostat 2011b; cf. following map). As a consequence, rural and peripheral areas often show a lower competitiveness resulting in significant brain drain. The level of skills and knowledge in these regions suffers accordingly.

Map 2: Gross Domestic Product (GDP) in thousands of EUR per inhabitant - current market prices in 2010 and total intramural R&D expenditure (*GERD*) in 2009 (%)

Source: IGSO PAS based on Eurostat, 2013

The specific regional economic profiles and functions are crucial for global competitiveness and integration. Western regions highlight research and the knowledge economy while in eastern regions the large-scale industrial production established after EU accession makes the regions more

[1] Based on the classification of the Commission Staff Working Document 2008 (Commission of the European Communities, 2008), European Commission (2006b): Scenar 2020, ESPON (2006): ESPON Project 3.2.

vulnerable towards global declines in demand. Only the eastern capital regions show extensive research activities (Eurostat, 2011b). Transnational and regional links and networks between actors within the innovation systems are weak in this respect.

Small and medium enterprises (SMEs) form the majority of business entities and are the biggest employers in central Europe. Combined with adequate human resources, SMEs may act as regional innovation motors, however there is a *"severe underinvestment in research and innovation in the private sector"* (European Commission 2012i). A major reason for this is that access to finance became more difficult during the economic crisis.

In rural regions, tourism is one of the most important sectors in central Europe. Especially in remote regions, tourism-related services are often the main sources of income for the local population (Eurostat 2013b: online). With the global economic crisis, people's inclination to travel was reduced, which in turn affected the tourism sector (Eurostat 2012a).

Social Cohesion

Central Europe is facing the problem of social polarisation and segregation. Social disparities within the central Europe area can be observed especially along the former "Iron Curtain" and the eastern external frontier of the EU.

Unemployment is a serious problem in central Europe with high unemployment rates in some regions, particularly in Slovakia, Croatia and Hungary while other regions show comparably low unemployment rates. Better education is regarded as the key to a more balanced social situation, however, education levels and quality varies greatly over central Europe. The highest share of population with high-level education in central Europe is concentrated around its major cities, which simultaneously fulfil the role of the countries' primary centres of education.

The accessibility to social services and services of general economic interest can increase social cohesion. However, there is also a clear east-west divide in the availability of social services: new Member States show lower expenditure for services such as elderly and child care as well as fewer medical doctors per inhabitant.

The distribution of population at risk of poverty also illustrates the disparities within central Europe. Especially in southern Germany, Austria, the Czech Republic and Italian regions poverty risk is low. However, in the outermost eastern parts of the Union, along the external frontier, there are very high rates of being at risk of poverty (European Union, 2010, European Commission, 2012e).

Demographic Change

Demographic change presents a key challenge for central Europe due to the fact that it influences the economic performance and the social structure of regions. The notable ageing of the society due to higher life expectancy and lower birth rates raises the need to target shifts in consumption patterns, labour force, labour market and productivity (Demography report 2010; European Commission, 2011b).

In addition, peripheral areas of central Europe face depopulation tendencies: out-migration of young and educated people, loss of labour force and know-how ('brain drain'), economic decline and the shrinking of population, thus posing the challenge of sustaining basic services and infrastructure. Regions with significant population growth are characterised by immigration. Urban agglomeration areas with a growing population are confronted with higher demands in housing and an increase of land use conflicts. Newer Member States are, despite of their relatively fast growing economies, less attractive for immigrants.

Climate Change

Climate change is supposed to affect the central Europe area considerably. The IPCC-findings predict an increase of annual temperatures between 0.1 and 0.4 °C per decade (IPCC 2012: online). Due to the effects of climate change, central Europe has to deal with a raise of average air temperature and an increasing number of extreme weather events such as droughts, heat waves, floods, storms and landslides.

In the long term heat will affect especially southern and south eastern central European regions (European Commission 2013c). Eastern central Europe regions are supposed to warm more rapidly in winter and cold winters may become rarer (IPCC 2012: online). In the last decades a trend of reduced precipitation in the southern regions of the EU (IPCC 2012: online) and a gain in more northern regions was observed and is expected to continue. Due to the fact that major river basins in the central Europe area are often traversing a couple of countries, flooding is an interregional and transnational issue in almost all regions.

Map 3: Natural hazards. Map of vulnerability

Source: IGSO PAS based on ÖIR et al. (2011) "Regional Challenges in the Perspective of 2020 – Phase 2: Deepening and Broadening the Analysis." Final report. Vienna/Heisdorf/Bonn, May 2011.

This will have a direct impact on human and economic activities and requires climate change adaptation and risk prevention measures including disaster management and rescue systems. For example, the increasing risk of aridity requires the transformation of water management, especially for agriculture, fisheries, forestry, energy production and tourism.

Energy

Energy production in central Europe is still strongly dependent on fossil energy sources and energy imports while the gross inland consumption of renewable energy is still at a low level (with the notable exception of Austria). However, between 2000 and 2010 there was an increase of 120% in

primary production of renewable energy in the central European countries with Germany, Slovakia, Hungary and the Czech Republic taking the lead, illustrating the available experience and know-how in this sector (Eurostat 2011a).

In 2009, nearly 40% of final energy consumption in the EU27 was in households and services (Eurostat 2011a). Transport is the second largest sector when it comes to final energy consumption and it is the fastest growing sector in terms of energy use, with the strongest reliance on fossil fuel.

Limited investment in grid infrastructure together with the construction of intermittent power plants will probably result in an increase in technical vulnerability (ESPON 2010).

Since a substantial part of energy used in cities is related to buildings, EU legislation has put a specific focus on energy self-sufficiency of (public) buildings and the maximisation of heat-energy savings. The implementation of this legislation in central Europe is on the way. The high level of experience and expertise on renewable energy production and energy efficiency is already available in some regions of central Europe, while others are less advanced. Cooperation and knowledge exchange can facilitate reaching EU energy strategy goals throughout central Europe. It can also help to take stock of favourable location factors such as geothermal sources, wind conditions, solar radiation and regional biomass resources.

Natural and cultural resources

The central Europe area is characterised by its rich natural and cultural heritage constituting an important location factor. Central Europe boasts a wide array of valuable natural areas in terms of landscape and biodiversity, including large areas of forests, agricultural land, mountainous areas, watercourses and coastlines. Central Europe also has a significant cultural diversity together with exceptional ancient architecture, built environments and artefact collections (European Commission 2013b: online). Cultural heritage in all its variety plays an important role in stimulating businesses and creating income.

Map 4: Natura 2000 areas under the Habitats Directives (SCIs)[2]

Source: IGSO PAS based on ec.europa.eu and natura2000.dzzp.hr/natura/

[2] For Croatia no Natura 2000 areas exist up to now.

Central Europe's heritage is however under pressure: the fragmentation of habitats, biodiversity loss, water, air and soil pollution and unsustainable management practices and usage conflicts (e.g. mass tourism, transport, urbanisation, land use etc.). Environmental infrastructure (such as drinking water supply, waste management and waste water treatment) still shows deficits in some regions of Poland, Hungary and Italy. Germany, Italy and the regions around major urban nodes suffer from high air concentrations of particulate matter and ozone.

Since many urban areas are growing, a decrease of the urban environmental situation and land use conflicts can be observed. There is the need for an improved environmental management and the mitigation of pollution sources (industry, traffic, etc.). This at the same time would offer more attractive and liveable cities and regions. In combination with the rich cultural diversity numerous development and income potentials could be lifted (e.g. cultural and environmental tourism, creative industries).

Accessibility, transport and communication infrastructure

Accessibility patterns in central Europe follow a core-periphery dichotomy distinguishing between core and western regions - showing a high potential in multimodal accessibility - and eastern and peripheral regions. High-quality transport connections are not existent in some, especially rural regions. In this respect secondary feeder transport infrastructure and the integration of hubs in the local and regional transport schemes ("last mile") are of importance. Due to dense motorway and quality rail networks Germany, Austria and Italy show the best accessibility (ESPON, 2009). The least accessible regions are mostly areas within the new Member States.

Although the importance of public transport and its improvement is highly prioritised, the share of sustainable passenger and freight transport has declined significantly over the last decade (komobile 2013). As for urban transport systems, an improvement is essential considering emerging sustainability goals of recent years (e.g. climate change mitigation, air quality and growing traffic volumes). Tackling these challenges would lead to a reduction of regional disparities in accessibility and the application of environmentally friendly transportation modes significantly contributing to improving central Europe's accessibility and the competitiveness of its regions.

This dichotomy is also visible in the uneven distribution of information and communication technology infrastructure available in central Europe. The broadband coverage in thinly populated areas generally lags behind the one of densely populated ones. Most of the urban regions and rural southern Germany boast high levels of high-speed internet connections.

Governance structures

Central Europe shows different administration systems and governance approaches. Diverse cooperation forms in central Europe (e.g. macro-regional strategies, transnational cooperation programmes and other types of co-operation) create horizontal and vertical cooperation/coordination mechanisms between various levels of governance. Still, in some regions low levels of public participation exist. Multi-level governance connecting top-down and bottom-up initiatives using also cross-sectoral approaches is needed to increase participation of local communities while fostering the efficiency of administrations and the consistency of policy-making. E-administration has not been implemented to the same extent in central Europe regions.

The macro-regional strategies within the EU should put forward co-operative activities and projects and are generally *"a jointly agreed strategy on how to overcome challenges identified within a macro-region"* (Blais, Liepa 2012).

The EU Strategy on the Baltic Sea Region (EUSBSR) as well as the EU Strategy on the Danube Region (EUSDR) cover a number of central European regions. The EUSBSR includes parts of Poland and

Germany, while the EUSDR includes parts of Germany, Austria, Hungary, the Czech Republic, Slovakia, Slovenia and Croatia. The EUSBSR represents a heterogeneous area concerning economy, environment and culture. The strategy addresses, amongst others, environmental challenges and represents the basis for co-operative regional development. The EUSDR focuses on four thematic pillars: mobility and multimodality including sustainable transport, the protection of the environment, as well as prosperity and institutional capacity (European Commission, 2011a; European Commission, 2010). Moreover, there are additional macro-regional strategies which are forming at the moment as for example the EU Strategy for the Adriatic and Ionian Region (EUSAIR).

For the implementation of these strategies, transnational projects have the task to coordinate needs and commitments of the regions as well as to pave *"the way for local and national implementation of macro-regional strategies and [drive] (…) political and strategic choices within a transnational and macro-regional framework"* (Blais, Liepa 2012).

1.1.3. Strengths, weaknesses, opportunities and threats of central Europe

The following SWOT analysis presents the internal strengths and weaknesses as well as external opportunities and threats[3] of the central Europe area. It integrates the analysis of the situation of the programme area and the analysis of strategic documents on European, transnational, national and regional level (e.g. programming documents, policy papers, etc.).

Strengths

- High expenses in R&D in urban regions (attractive labour markets for highly skilled workers)
- Some rural and intermediate areas show significant R&D activities ("islands of innovation")
- High level of experience and know-how in high-tech services (e.g. renewable energy)
- Increase of renewable energy production (wind, solar, biomass, hydropower, geothermal energy potentials)
- Use of energy saving technologies (infrastructure, housing) in some regions
- Existing flood prevention measures and hazard zoning, especially in Alpine regions
- Richness and diversity of landscape, natural and cultural heritage (important location factors)
- On-going investments in connections of long-distance transport TEN-T networks/high potential multimodal accessibility in capital regions and in the western central Europe regions
- High diversity of cultures and population (ethnic diversity, linguistic minorities)
- Increasing level of education/lifelong learning/female education participation (qualified workforce)
- Growth in business-related services, cross-sectorial and technology-oriented industries
- Connected top-down and bottom-up initiatives with the help of multi-level governance, including e.g. participatory elements
- Tradition of interregional, transnational and cross-border cooperation on institutional, political and administrative level and within projects (e.g. strengthening of identities, economic cooperation, labour market migration)

Weaknesses

- Low level of R&D in several (rural) regions/insufficient technology transfer and lack in the access to R&D results especially for SMEs
- Sectorial and spatial inequalities of ICT infrastructure

[3] A more detailed SWOT table per thematic objective can be found in Annex xx.

- Strong economic disparities between central European regions (esp. between old and new Member States)
- Inequalities in GDP between peripheral and central areas
- High level of energy import dependency and imports from countries vulnerable to economic or political instability
- Increasing energy demand and lack of energy corridors and power lines especially for renewable energy
- Land use pressure leading to user conflicts, landscape fragmentation and biodiversity loss
- Low air quality and high particular matter and ozone concentrations in cities
- Bad water quality of rivers and lakes in some regions (eutrophication)
- Deteriorating cultural heritage
- Lack of quality and quantity of environmental infrastructure in some regions
- Weak local, regional and transnational accessibility especially outside of agglomeration areas
- Lack of integrated transport systems and multimodality especially in the new Member States
- Low quality of public transport, decreasing share of public transport as well as missing road links and border-crossings in many peripheral regions
- Marginalisation of peripheral areas and insufficient access to services and employment in regions dominated by small villages and sparsely populated areas
- Risk of poverty for different population groups (e.g. women, migrants)
- Low levels of public e-administration

Opportunities

- Promotion of innovation and an attractive investment climate
- Enhancement of competitiveness and deregulation for triggering SME development
- Globalisation and EU enlargement as a means for accessing new markets and capital
- Policy support for cooperative economic activities, development of clusters and networks
- Increasing awareness about climate change effects and adaptation measures
- Cohesion Policy focusing among others on environmental infrastructure, including clean drinking water supply, waste management and waste-water treatment
- Establishment of a high proportion of protected areas through EU funds and policies (environment and Common Agricultural Policy)
- A more flexible labour market and support of alternative employment through EU legislation
- Exchange of knowledge and cultural values promoting a flexible creative workforce
- Connectivity to macro-regional strategies such as the EUSBSR and the EUSDR

Threats

- Increasing gap between regulation and implementation; capacity needs (know-how, human resources) for administrations
- Over-regulation in some policy fields (e.g. national market protection, social security, labour markets)
- Existing lifestyles in “mature” economies and catching up processes in new Member States leading to increased energy demand
- Increase of average air temperature due to climate change (e.g. continuous reduction of snow blanket)
- Climate change affecting the natural environment (e.g. extinction of species; geographical shift of crops) and increasing aridity in some regions as well as strongly increasing the number of tropical nights in urban areas
- Increasing occurrences of natural hazards and floods

- Increasing unsustainable use of environmental resources due to economic activities
- Accelerating brain drain of young and creative talents from peripheral regions
- Increasing (labour) market competition with other global regions (China, India) and pressure on economic productivity
- Ageing population
- On-going suburbanisation processes

1.1.4. How the cooperation programme will address these needs and challenges

The overall programme strategy is formulated in direct response to the EU 2020 Strategy of smart, sustainable and inclusive growth. **Smart growth** means improving the EU's performance in education, research/innovation and digital society. **Sustainable growth** means building a more competitive low-carbon economy that makes efficient, sustainable use of resources. **Inclusive growth** means raising Europe's employment rate – more and better jobs, especially for women, young people and older workers, helping people of all ages to raise the employment rate. Within the EU 2020 Strategy the EU has set ambitious objectives to be reached by 2020 in five main areas:

- Employment: 75% of the 20-64 year-olds to be employed
- Research and development: 3% of the EU's GDP to be invested in R&D
- Climate change and energy sustainability: greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990; 20% of energy from renewables, 20% increase in energy efficiency
- Education: Reducing the rates of early school leavers below 10% and at least 40% of 30-34–year-olds completing third level education
- Fighting poverty and social exclusion: at least 20 million fewer people in or at risk of poverty and social exclusion

In order to reach the envisioned targets within the 2020 goals, all European regions must be involved. In this context, the Common Strategic Framework (CSF) of EU Cohesion Policy provides the necessary investment framework and delivery system to achieve them.

With economic, social and territorial cohesion in mind, the overall goal of the CENTRAL EUROPE Programme has been identified as:

"Cooperating beyond borders in central Europe to make our cities and regions better places to live and work"

The overall programme goal is translated into the following technical specification:

Transnational cooperation in central Europe is the catalyst for implementing smart solutions answering to regional challenges in the fields of innovation, low carbon economy, environment, culture and transport. It builds regional capacities following an integrated bottom-up approach involving and coordinating relevant actors from all governance levels.

Building and improving capacities is related to creating an enabling environment through appropriate policy, legal and economic frameworks, institutional development as well as human resources development and strengthening of managerial systems.

The specific characteristics of a transnational cooperation programme can serve the goal of social, economic and territorial cohesion better than national endeavours only, in particular by taking into account common challenges and needs shared by most or all regions of the programme area. The programme strategy seeks to reduce barriers of development. It aims to strengthen existing or to

make use of yet untapped potentials to support territorial integration, thereby creating smart, sustainable and inclusive growth directly contributing to the Europe 2020 goals.

The regulatory framework for the 2014-2020 EU programming period defines eleven thematic objectives (TOs) corresponding to the priorities of the Europe 2020 Strategy. To ensure critical mass necessary to deliver growth and jobs, ETC programmes must concentrate at least 80 % of the ERDF allocation on up to four TOs, selected on the basis of key challenges and needs identified in the cooperation area. Consequently, by exploiting potentials of the area and striving to overcome barriers of development, the CENTRAL EUROPE Programme strategy builds on four TOs that are in line with issues identified as being most suitable to be tackled by transnational cooperation:

- Strengthening research, technological development and innovation (TO 1)
- Supporting the shift towards a low-carbon economy in all sectors (TO 4)
- Protecting the environment and promoting resource efficiency (TO 6)
- Promoting sustainable transport and removing bottlenecks in key network infrastructures (TO 7)

More detailed information on the justification for the selection and not selection of TOs is provided in Annex xx.

The selected TOs have been translated into four priority axes, which reflect the needs and challenges as identified in the analysis of the situation of the programme area.

For each priority axis of the programme, one or more investment priorities (IPs)[4] have been selected. The seven IPs chosen by the programme are listed in Table 1, which also provides justification for their selection.

For each IP one or two specific objectives (SO) were defined for the programme. The SOs indicate specific changes that the CENTRAL EUROPE Programme intends to pursue.

Figure 1 gives an overview of the programme strategy and its structure.

[4] As pre-defined in Article 5 of the ERDF Regulation

Figure 1: Programme strategy - Objective tree

Central Europe – Territorial needs

Cooperating beyond borders in central Europe to make our cities and regions better places to live and work

Priority axis 1
Cooperating on innovation to make CENTRAL EUROPE more competitive

Priority axis 2
Cooperating on low carbon strategies in CENTRAL EUROPE

Priority axis 3
Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE

Priority axis 4
Cooperating on transport to better connect CENTRAL EUROPE

Thematic objective 1
Strengthening research, technological development and innovation

Thematic objective 4
Supporting the shift towards a low-carbon economy in all sectors

Thematic objective 6
Protecting the environment and promoting resource efficiency

Thematic objective 7
Promoting sustainable transport and removing bottlenecks in key network infrastructures

Investment priority 1b
Promoting business investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education [...]

Investment priority 4c
Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings and in the housing sector

Investment priority 4e
Promoting low-carbon strategies for all types of territories, i.p. urban areas, incl. the promotion of sustainable multi-modal urban mobility and mitigation relevant adaptation measures

Investment priority 6c
Conserving, protecting, promoting and developing cultural and natural heritage

Investment priority 6e
Action to improve the urban environment, revitalisation of cities, regeneration and decontamination of brownfield sites (...) & reduction of air pollution and promotion of noise-reduction measures

Investment priority 7b
Enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes

Investment priority 7c
Developing and improving environment-friendly (...) and low-carbon transport systems [...]

Specific objective 1.1
To improve sustainable linkages among actors of the central European innovation systems for strengthening regional innovation capacity

Specific objective 1.2
To improve knowledge and skills for advancing economic and social innovation in central European regions

Specific objective 2.1
To develop and implement solutions for increasing energy efficiency and renewable energy usage in public infrastructures

Specific objective 2.2
To improve territorially based energy planning strategies and policies supporting climate change mitigation

Specific objective 2.3
To improve capacities for mobility planning in functional urban areas to lower CO_2 emissions

Specific objective 3.1
To improve integrated environmental management capacities for the protection and sustainable use of natural heritage and resources

Specific objective 3.2
To improve capacities for the sustainable use of cultural heritage and resources

Specific objective 3.3
To improve environmental management of functional urban areas to make them more liveable places

Specific objective 4.1
To improve planning and coordination of regional passenger transport systems for better connections to national and European transport networks

Specific objective 4.2
To improve coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions

Priority axis 1 – "Cooperating on innovation to make CENTRAL EUROPE more competitive"

Priority axis 1 addresses the main socio-economic challenges and needs within central Europe related to smart growth of the Europe 2020 Strategy, especially through more effective investments in research, innovation and education.

It targets the strengthening of existing potentials of technology-oriented areas that are destinations of foreign investments and capital flows, notably through a better linkage of innovation system actors. This will enhance the transfer of R&D results and the set up of cooperative initiatives and clusters. Furthermore, it addresses regional disparities in knowledge and education such as brain drain, and will strengthen capacities and competences for entrepreneurship and social innovation responding also to challenges related to demographic change.

This approach builds on the CENTRAL EUROPE 2007-2013 Programme and its successful experience made within the former programme priority 1 of "Facilitating innovation across central Europe" targeting the improvement of framework conditions for R&D and innovation support.

This priority axis contributes in particular to the smart and inclusive growth goal of the EU 2020 Strategy as well as to the social cohesion goal. It supports the following flagship initiatives: "Innovation Union"; "An industrial policy for the globalisation era"; and "An agenda for new skills and jobs".

Priority Axis 2 – "Cooperating on low carbon strategies in CENTRAL EUROPE"

Priority axis 2 aims at strengthening the usage of renewable energy, improving energy efficiency, and at tapping the economic growth potential of this sector. It shall also help enhancing knowledge and skills with regard to efficient energy management of public infrastructure.

Developing and implementing territorially based low carbon strategies and low carbon mobility of functional urban areas shall be supported, in order to tackle the challenges central Europe is facing in energy production and consumption and to mitigate climate change.

This axis builds on achievements of the previous programming period, where thematic priority 3 "Using our environment responsibly" of the CENTRAL EUROPE 2007-2013 Programme has supported renewable energy and energy efficiency projects. Furthermore, it builds on the existing knowledge and expertise about renewable energy and energy saving technologies available in several regions of central Europe.

This axis primarily contributes to the flagship initiatives: "Resource efficient Europe" and "An Agenda for new skills and jobs".

Priority axis 3 – 'Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE''

Priority axis 3 directly responds to the need for the protection and more sustainable use of natural and cultural heritage and resources, which are subject to a variety of pressures and usage conflicts (e.g. from industry, intensive agriculture, climate change, transport, urbanisation and suburbanisation as well as tourism). They also constitute one of the greatest assets of central Europe and are an important location factor for regional development.

In addition to this, the programme further focuses on improving the quality of the environment in functional urban areas by tackling key challenges (e.g. land use conflicts, air, soil and water pollution, waste management). The improvement of the situation will have a direct effect on the quality of life for urban residents.

Covering these aspects, the priority axis carries forward priority 3 "Using our environment responsibly" and in parts also priority 4 "Enhancing competitiveness and attractiveness of cities and regions" of the CENTRAL EUROPE 2007-2013 Programme. In this previous programming period successful projects were implemented in the fields of water and waste management, air quality, pollution control and prevention, brownfield rehabilitation, biodiversity, land use planning as well as the preservation and sustainable use of cultural heritage.

A clear contribution to following flagship initiatives can be observed: "Resource efficient Europe" and "An Agenda for new skills and jobs".

Priority Axis 4 – "Cooperating on transport to better connect CENTRAL EUROPE"

Priority Axis 4 provides answers to the core-periphery dichotomy of the CENTRAL EUROPE area by reducing the gap between peripheral, badly accessible regions and well-connected centres. It shall support the connectivity of regions and cities to the European transport networks and improve multi-modal environment-friendly freight and passenger transport within central Europe.

The CENTRAL EUROPE 2007-2013 Programme has already supported actions in the field of interconnectivity and multi-modal logistics cooperation under priority 2 "Improving accessibility to, and within, Central Europe". Therein a number of projects demonstrated the principal feasibility of a modal switch in passenger transport providing a decisive momentum in the right direction (komobile, 2013: 7). Based on these valuable experiences the CENTRAL EUROPE 2014-2020 Programme continues tackling these challenges.

This priority axis contributes to the following Europe 2020 priorities and flagship initiatives: smart growth and "Resource Efficient Europe".

1.1.5. Justification for the choice of thematic objectives

Justification for the choice of thematic objectives and corresponding investment priorities, having regard to the Common Strategic Framework, based on an analysis of the situation of the programme area as a whole in terms of needs and the strategy chosen in response, addressing, where appropriate, the missing links in cross-border infrastructure, taking into account the ex-ante evaluation, and with reference to, existing national, regional, cross-border/transnational/macro-regional or sea-basin strategies coherent with the Union strategy for smart, sustainable and inclusive growth, where relevant (table).

Table 1: Synthesised overview of the justification for the selection of thematic objectives and investment priorities

Selected thematic objective	Selected investment priority	Justification for selection
TO1 **Strengthening research, technological development and innovation**	1b	– There is an uneven distribution of **R&D activities** over central Europe – There is a high potential for mobilising **synergies between business and research** and investments in **product and process innovations** but linkages are not sufficiently established – The lack of **innovative skills and knowledge** is a major shortcoming in lagging regions – Potentials of **transnational and regional clusters** remain unused – A lack of cooperation and **common innovation strategies** hinders the use of synergies

Selected thematic objective	Selected investment priority	Justification for selection
TO4 **Supporting the shift towards a low-carbon economy in all sectors**	4c	– **Public infrastructures and buildings** are among the main energy consumers, their energy use is still wasteful in many central European regions – **Efficient use of energy** can contribute to **decreasing central Europe`s energy import dependence** and to **mitigating climate change** – There is the need for **increasing the capacity of the public sector** for **energy efficiency measures** – **Public infrastructure owners and operators** often lack the **expertise** of methods and technologies for reducing energy consumption
	4e	– There is the need for developing **low-carbon strategies** on a territorial level – The **use of available knowledge on renewable energy** of some **central European regions** is a great potential for lagging regions – There is a need for increasing **renewable energy production**, especially in eastern regions of central Europe – The promotion of **endogenous resources and energy technologies** is a high potential but capacities are often limited – There is a need for **more sustainable urban transport systems**
TO6 **Protecting the environment and promoting resource efficiency**	6c	– The **richness of central Europe's natural and cultural resources** needs to be preserved and their management improved – The **sustainable use of natural and cultural resources** serves as an important location factor but they are often not sufficiently used – **Pressures on natural and cultural resources** endanger the use potentials – **Transnational cooperation** can help to coordinate sustainable management of natural and cultural resources – **Natural and cultural h**eritage sites are not sufficiently linked
	6e	– The **environmental challenges of air, water and soil pollution, climate, land consumption and land use conflicts** and negative spill-over effects in agglomeration areas are development barriers – **Negative external effects of urban areas** (agglomeration disadvantages, resulting in e.g. low air quality) are a major challenge for central Europe's environment and quality of life of urban residents
TO7 **Promoting sustainable transport and removing bottlenecks in key network infrastructures**	7b	– **Weak regional and local accessibility** prevails outside of central Europe's agglomerations – There is a notable **accessibility gap** between peripheral rural regions and economic centres and to the TEN-T network – Existing **disparities in multimodal accessibility** lower the competitiveness of many regions in central Europe – In many cases there is a **poor connectivity between urban nodes** (e.g. regiopolises) **and rural areas**

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Selected thematic objective	Selected investment priority	Justification for selection
	7c	– The implementation of environment-friendly and low-carbon freight transport systems and logistics will **contribute to the 2020 targets** of reduction of greenhouse gas emissions and increase in energy efficiency – **Increasing transport volumes** reinforce the need for environmental-friendly and low-carbon freight transport systems – **Disparities exist in multimodal accessibility** for freight transport in central Europe

1.2 Justification of the financial allocation

The justification of the financial allocation (i.e. the 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.

The financial allocation to the chosen thematic objectives reflects:

- The estimated financial size of the actions foreseen in each priority axis
- The coherence with the funding priorities as in the EC Country Position Papers
- The inputs provided by relevant partners within consultations
- The experiences of the programming period 2007-2013

The proposed financial allocation has been made considering an average financial size of a project of 2,3 M€ ERDF and an overall ERDF allocation to the programme of around € 245 million.

Priority axis 1 (TO 1)

The planned ERDF allocation to priority 1 is of around € 68,5 million corresponding to 28% of the programme ERDF, with an estimated number of around 30 projects that will be supported. This financial allocation reflects the planned size of actions facing the needs to strongly improve regional innovation capacities as well as to increase skills and entrepreneurship culture especially at the SMEs level.

The financial allocation to this priority is in line with the emphasis given to innovation, technology transfer and entrepreneurship within the funding priorities defined in the EC Country Position Papers of all Member States of the cooperation area, especially with regard to the need of setting up a favourable environment for innovation-driven business based on knowledge and skills at all levels, explicitly recognised as priorities for ETC in several countries. Moreover, the proposed financial allocation reflects the high interest shown by the relevant partners, with about 56% of the participants to the online survey who expressed their interest in this priority and a very high number of inputs collected in the national and transnational events. For further details please refer to Section 5.2.

Central European stakeholders have a long tradition and a growing need of cooperation in the field of innovation, technology transfer and skills, with around € 52 million allocated to central European transnational projects in this thematic field during the 2007-2013 programming period, further justifying the planned financial allocation.

Priority axis 2 (TO 4)

The planned ERDF allocation to priority 2 is of around € 44 million corresponding to 18% of the programme ERDF, with an estimated number of around 19 projects that will be supported. This financial allocation reflects the expected size of the proposed actions facing the needs to increase regional capacities for improving energy efficiency and renewable energy usage in public infrastructure, for improved planning of territorially based energy strategies and low carbon mobility in functional urban areas.

The financial allocation to this priority is aligned with the funding priorities defined in the EC Country Position Papers of all Member States of the cooperation area, with regard especially to energy efficiency and low-carbon economy also contributing to climate change mitigation. Moreover, the financial allocation to this priority is in line with the interest shown by the relevant partners in the consultation process, with about 23% of the participants to the online survey who expressed their interest in this priority and several specific inputs collected in the national and transnational events. For further details please refer to Section 5.2.

Central European stakeholders showed a specific and growing interest in cooperating within energy efficiency and renewable energy sources, with around € 31 million allocated to central European transnational projects in this thematic field during the 2007-2013 period, further supporting the planned financial allocation.

Priority axis 3 (TO 6)

The planned ERDF allocation to priority 3 is of around € 88 million corresponding to 36% of the programme ERDF, with an estimated number of around 38 projects that will be supported. This financial allocation reflects the expected size of actions facing the needs to increase capacities for an integrated management and sustainable use of natural and cultural heritage and resources as well as for improved environmental management of functional urban areas. The comparably higher allocation to this priority is justified by the fact that actions - ranging from natural and cultural heritage protection, management and valorisation to urban environmental management including rehabilitation of brownfields and supporting the development towards smart cities - tackle a wide array of challenges and needs affecting all regions of the programme area.

The financial allocation to this priority also reflects several funding priorities defined in the EC Country Position Papers of all Member States of the cooperation area, with regard especially to protection and sustainable management of natural and cultural heritage and improvement of the urban environment, including regeneration of brownfield sites and reduction of air pollution. Moreover, the financial allocation to this priority is aligned with the high interest shown by the relevant partners in the consultation process, with about 50% of the participants to the online survey who expressed their interest in this priority and a high number of inputs collected from partners within national and transnational events. For further details please refer to Section 5.2.

Central European stakeholders have a long tradition and a growing need of cooperation in the field of natural and cultural heritage protection and urban environmental management, with around € 62 million allocated to central European transnational projects in this thematic field during the 2007-2013 period, further justifying the planned financial allocation.

Priority axis 4 (TO 7)

The planned ERDF allocation to priority 4 is of around € 29 million corresponding to 12% of the programme ERDF, with an estimated number of around 13 projects that will be supported. This financial allocation reflects the expected size of actions facing the needs to increase capacities for planning of regional transport systems as well as for making transport modes more sustainable, safe and energy efficient along coordinated multi-modal transport chains. The comparably lower

allocation to this priority is justified also by the fact that the urban dimension of transports is tackled within thematic objective 4 (priority axis 2).

The financial allocation to this priority is in line with funding priorities defined in the EC Country Position Papers of the Member States involved in the cooperation area, where a specific coordination and integration function in the field of transport is given to ETC. Moreover, the planned financial allocation is aligned with the interest shown by the relevant partners in the consultation process, with about 30% of the participants to the online survey who expressed their interest in this priority and several valuable inputs collected from partners within the national and transnational events. For further details please refer to Section 5.2.

Central European transport stakeholders showed high interest in transnational cooperation in the 2007-2013 period, with around € 25 million allocated to central European projects in this thematic field, in line with the planned financial allocation.

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Table 2: Overview of the programme investment strategy

Priority axis	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective	ERDF support (EUR)	Share of the total Union support to the cooperation programme (by Fund)		
						ERDF	ENI (where applicable)	IPA (where applicable)
1	TO1	1b	**1.1** To improve sustainable linkages among actors of the central European innovation systems for strengthening regional innovation capacity	Status of linkages among actors of the central European innovation systems	(xxx)			
			1.2 To improve knowledge and skills for advancing economic and social innovation in central European regions	Status of knowledge and skills of employees and entrepreneurs driving economic and social innovation in central Europe				
2	TO4	4c	**2.1** To develop and implement solutions for increasing energy efficiency and renewable energy usage in public infrastructures	Status of capacities of the public sector for increased energy efficiency and renewable energy use of public infrastructures	(xxx)			
		4e	**2.2** To improve territorially based energy planning strategies and policies supporting climate change mitigation	Status of capacities of regional actors for territorially based energy planning and policies				
			2.3 To improve capacities for mobility planning in functional urban areas to lower CO2 emissions	Status of capacities for low-carbon mobility planning in functional urban areas				
3	TO6	6c	**3.1** To improve integrated environmental management capacities for the protection and sustainable use of natural heritage and resources	Status of integrated environmental management capacities of regional actors for the sustainable use of natural heritage and resources	(xxx)			

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Priority axis	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective	ERDF support (EUR)	Share of the total Union support to the cooperation programme (by Fund)		
						ERDF	ENI (where applicable)	IPA (where applicable)
			3.2 To improve capacities for the sustainable use of cultural heritage and resources	Status of capacities of regional actors for the sustainable use of cultural heritage and resources				
		6e	**3.3** To improve environmental management of functional urban areas to make them more liveable places	Status of environmental management capacities in functional urban areas				
4	TO7	7b	**4.1** To improve planning and coordination of regional passenger transport systems for better connections to national and European transport networks	Status of mobility planning capacities and coordination of regional passenger transport systems linked to national and European transport networks	(xxx)			
		7c	**4.2** To improve coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions	Status of coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions				
5	NA	NA	**5.1** To effectively implement the Operational Programme	(xxx)	(xxx)			
			5.2 To support project applicants and beneficiaries and to strengthen the involvement of relevant partners in the Programme implementation	Status of capacities of applicants and beneficiaries to participate in the Programme				

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SECTION 2. Description of the priority axes (Article 7 (2) (b) and (c) ETC Regulation)

Section 2.A. A description of the priority axes other than technical assistance (Article 7(2) (b) ETC Regulation))

PRIORITY AXIS 1:

Cooperating on innovation to make CENTRAL EUROPE more competitive

☐ The entire priority axis will be implemented solely through financial instruments

☐ The entire priority axis will be implemented solely though financial instruments set up at Union level

☐ The entire priority axis will be implemented through community-led local development

Fund: ERDF

Investment Priority (Article 87 (2) (b) (i)): 1b

Calculation basis for the Union support (public or total): total

2.A.1.1b Specific objectives corresponding to the investment priority and expected results (Article 7 (2) (b) (i)-(ii) ETC Regulation))

SPECIFIC OBJECTIVE 1.1:

To improve sustainable linkages among actors of the central European innovation systems[5] for strengthening regional innovation capacity

The results, which the Member States seek to achieve with EU support

Central Europe faces crucial disparities concerning regional innovation. "Islands of innovation", located around agglomerations or in western intermediate areas, have been established with well performing innovation systems characterised by strong links between its actors. However, several, mostly rural and remote regions are characterised by a low level of R&D and weak linkages resulting in insufficient technology transfer and problems to access R&D-results and financing of innovation, especially for SMEs.

To achieve innovation-driven growth at regional level and reduce disparities, stronger links between the actors of the innovation systems within and between regions are required as well as a critical

[5] Actors of the innovation system include stakeholders from research, business, politics and administration.

mass of innovative actors (e.g. in a triple or quadruple helix context). This shall further enhance knowledge and technology transfer between key players of the innovation systems.

In this context, transnational cooperation will help to strengthen regional innovation capacities through better linkages among actors of the innovation systems. This shall be achieved through transnational and internationalised regional networks and clusters fostering technology transfer and the development and implementation of new services supporting innovation in businesses. Increased cooperation between actors of the innovation systems, especially between business and research, will improve access to research results for enterprises, notably SMEs, thus stimulating further investment in innovation. Furthermore, the link between research and public administration will be strengthened (e.g. by setting up specific mechanisms and promoting public procurement of innovation).

The main result envisaged can be summarised as: "Improved linkages of actors in the innovation systems strengthening the innovation capacity within the central European regions".

Table 3.1b.1.1: Programme-specific result indicators[6] (for specific objective 1.1) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.1	Status of linkages among actors of the central European innovation systems	Qualitative scale	Situation description	2014	Increase of linkages	Survey	2018 and 2023

SPECIFIC OBJECTIVE 1.2:

To improve knowledge and skills for advancing economic and social innovation in central European regions

The results, which the Member States seek to achieve with EU support

Central Europe is facing a "severe underinvestment in research and innovation in the private sector" (European Commission, 2012h), which is particularly evident for rural and remote areas showing low levels of R&D activities, often linked to low levels of qualified job opportunities. This amplifies brain drain from these regions and deteriorates regional competitiveness.

There is the need for additional knowledge and skills in the field of innovation, especially in SMEs, and for improving entrepreneurship that fosters entrepreneurial mind sets and skills to improve economic and social innovation[7].

Transnational cooperation will help to increase knowledge and innovation capacities of employees and entrepreneurs and improve entrepreneurial attitudes and mind sets. It supports the creation of critical masses of innovative actors by building competences in the public and private sectors, enabling these to develop and implement innovative products, services or processes (also supporting

[6] The methodology used for the definition of result indicators for specific objectives of all priority axes is provided in xx.

[7] Social innovation can be defined as the development and implementation of new ideas (products, services and models) to meet social needs and to create new social relationships or collaborations.

the implementation of smart specialisation strategies). Moreover, transnational cooperation will support the application of novel technologies (ICT, key enabling technologies, etc.).

Due to the commitment of the programme to sustainable development, attention will be given to strengthening competences and skills in the fields of eco-innovation and innovation for low-carbon solutions. The stimulation of social innovation and entrepreneurship will contribute to meet social needs and will support the capacities of regions to manage new challenges, such as those deriving from demographic change, migration and brain-drain.

The main result envisaged can be summarised as: "Increased knowledge and skills of employees and entrepreneurs driving economic and social innovation in central Europe".

Table 3.1b.1.2: Programme-specific result indicators (for specific objective 1.2) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.2	Status of knowledge and skills of employees and entrepreneurs driving economic and social innovation in central Europe	Qualitative scale	Situation description	2014	Improved knowledge and skills	Survey	2018 and 2023

2.A.2.1b Actions to be supported under the investment priority (by investment priority 1b)

2.A.2.1.1b A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate (Article 7 (2) (b) (iii) ETC Regulation)

The supported actions will contribute to the strengthening of the regional innovation capacity of central Europe, where on one hand there is a favourable innovation climate in several regions and on the other hand many peripheral regions are lagging behind.

Transnational actions can bring added value through connecting different actors of the innovation systems within and across different regions and sectors as well as through improving knowledge and skills building entrepreneurship in the field of economic and social innovation.

According to the two specific objectives within investment priority 1(b), two sets of interventions will be supported:

– Actions to improve sustainable linkages among actors of the central European innovation systems (referring to specific objective 1.1)

– Actions to improve knowledge and skills for advancing economic and social innovation (referring to specific objective 1.2)

Actions to improve sustainable linkages among actors of the central European innovation systems (specific objective 1.1)

The supported actions shall make use of transnational cooperation for knowledge transfer and the implementation of pilot and demonstrative actions for better linkages among actors in the innovation systems as precondition for innovation. Transnational and internationalised regional networks and clusters fostering technology transfer can contribute to improve the regional innovation capacity. Enhanced knowledge transfers between research institutions, businesses (in particular SMEs), the education sector as well as the public sector will enable better access to research results for enterprises and consequently stimulate further investment in the application of innovation, enhancing the competitiveness of regions. All the supported actions will clearly contribute to improve linkages among actors in the innovation systems, thereby strengthening the innovation capacity within the central European regions.

Examples of actions supported within SO 1.1 are:

- Establishing and further strengthening transnational innovation networks and clusters, also supporting their internationalisation
- Enhancing the transfer of R&D-results from research institutions to the business sector (in particular SMEs) leading to new services and products
- Building transnational links for improving existing and developing new services supporting innovation in businesses
- Strengthening links between the public sector, finance institutions as well as other relevant actors to design and test new structures and services that facilitate the access to financing of innovation
- Increasing cooperation between the research sector and the public sector to stimulate innovation and entrepreneurship (e.g. reduction of administrative barriers of innovation, public procurement of innovative products and services, social innovation, etc.)

Actions to improve knowledge and skills for advancing economic and social innovation (specific objective 1.2)

The supported actions shall target at transnational level the improvement of knowledge and skills of employees and entrepreneurs (especially in SMEs) fostering the development and implementation of innovative products, services or processes for advancing economic and social innovation. Actions are expected to build a stronger culture of entrepreneurship and to enhance entrepreneurial mind sets, skills and attitudes. Innovative methods of learning can contribute to strengthening competences in the application of innovative technologies and social innovation. This will support the capacity of the central European regions to implement smart specialisation strategies and target specific challenges such as demographic change and brain drain. All the supported actions will clearly contribute to increase knowledge and skills in all sectors and at all levels, thereby driving economic and social innovation in central Europe.

Examples of actions supported within SO 1.2 are:

- Developing and implementing strategies to improve creativity and attitude towards entrepreneurship building on different business cultures and on all levels of education
- Improving technological knowledge and management skills for entrepreneurship through transnationally coordinated transfer
- Increasing knowledge and skills in the public sector and the business sector on how to implement regional smart specialisation strategies – especially for the benefit of less developed regions
- Strengthening competences and entrepreneurship for innovation including social innovation (as e.g. healthcare, social inclusion: minorities, disabled persons, elderly etc.)
- Adapting, developing, and testing innovative learning systems that address demographic change challenges (e.g. ageing society, youth unemployment, shrinking regions facing skills shortages etc.)
- Strengthening competences and skills for the application of novel technologies (e.g. eco-innovation, low-carbon technologies, ICT, key enabling technologies, etc.) in all sectors

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Types of outputs

Within the supported actions different types of outputs can be obtained. Emphasis shall be put on policy learning and/or implementation-oriented approaches at transnational level. These can include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of investments, the implementation of pilot actions - including pilot investments - as well as capacity building measures including training.

Main target groups and types of beneficiaries

The main target groups are enterprises (including SMEs) and their employees, the public sector, intermediaries as well as private and public research institutions, R&D facilities, centres of R&D excellence. Target groups include public and private actors dealing with social issues as well as all population groups which are affected by the issue.

Beneficiaries are all those bodies that can contribute to increase economic and social innovation and entrepreneurial capacity. They comprise amongst others local, regional and national public authorities, regional development agencies, chambers of commerce, enterprises including SMEs, universities, tertiary education organisations, associations, technology transfer institutions, research institutions, centres of R&D excellence, NGOs, innovation agencies, business incubators, cluster management bodies, financing institutions, education and training centres as well as social partners and labour-market institutions.

Specific territories targeted

The supported actions can be implemented throughout the whole programme cooperation area: Emphasis shall be put on regions having deficiencies in their innovation system or having a shortage of skills and entrepreneurship for which their connection to and learning from more advanced regions will be targeted. Simultaneously, regions with a higher innovation performance shall be further strengthened through internationalisation opening up for new development opportunities.

2.A.2.2.1b The guiding principles for the selection of operations (Article 7 (2) (b) (iii) ETC Regulation)

The selection of project proposals will be carried out in application of Article 11 of the ETC Regulation following a standardised assessment procedure with two sets of pre-defined quality criteria, as presented below.

Strategic criteria concern the assessment of the relevance of project proposals and the extent of their contribution to achieving the chosen specific objective. Strategic criteria are therefore directly linked to the results envisaged within the specific objective of reference. Moreover, strategic criteria assess the transnational added value and the relevance of the partnership. Strategic criteria can be summarised as follows:

- Contribution of the project proposal to programme outputs and results, as defined for the investment priority and specific objective of reference;
- Relevance and strategic character of project proposals in relation to the challenges and needs addressed by the chosen specific objective as well as relevant policies at different levels;
- Cooperation character and transnational added value of the project proposals;
- Relevance of the partnership in terms of technical and institutional capacity.

Operational criteria concern the assessment of the quality of implementation with regard to the feasibility and viability of project proposals as well as their value for money (resources used in relation to results delivered). Operational criteria can be summarised as follows:

- Structure, coherence and transparency of the project work plan;
- Project communication strategy and activities;

- Coherence of the budget with the project work plan and value for money;
- Structures and procedures set in place for the daily management of the project.

Overall, the programme will support projects having a clear focus on the implementation of joint transnational actions and demonstrating the value added of the transnational approach versus regional, national, interregional or cross-border approaches. In addition, projects should follow an output and result-oriented approach that places much emphasis on the development of concrete, relevant and visible outputs and results. As one consequence, the programme specifically supports the delivery of outputs and results which directly support or feed into concrete future initiatives including new or improved policies and strategies as well as investments.

Therefore, the high strategic value of project proposals will be a pre-condition for being selected for funding. The high importance of the strategic assessment will be reflected in the assessment methodology by means of weighting of scores and/or setting of thresholds for the strategic criteria.

The detailed assessment criteria will be laid down and made available to potential applicants in call specific documents/manuals.

Programme bodies will strive for coordination with other programmes (see also Section 6) making use of synergies to the possible extent.

Project proposals focussing on purely academic cooperation or basic research as well as on mere exchange of knowledge and networking will not be funded.

2.A.2.3.1b The planned use of financial instruments (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.4.1b The planned use of major projects (Article 7 (2) (be) (iiie) ETC Regulation)

Not applicable

2.A.2.5.1b Output indicators (by investment priority) (Table 4) (Article 7 (2) (b) (iv) ETC Regulation)

Table 4.1b: Common and programme specific output indicators (by Investment priority 1b)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
1b.1	Number of innovation strategies and action plans developed and/or implemented	Number	75	Project monitoring
1b.2	Number of tools and services for innovation support and technology transfer developed and/or implemented	Number	40	Project monitoring
1b.3	Number of tools for knowledge and skills improvement developed and/or implemented	Number	40	Project monitoring
1b.4	Number of innovation networks established	Number	15	Project monitoring
1b.5	Amount of investments/funds leveraged for social and economic innovation	Million €	50	Project monitoring
1b.6	Number of pilot actions in the field of innovation support and technology transfer implemented	Number	50	Project monitoring
1b.7	Number of pilot actions for	Number	50	Project monitoring

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
	knowledge and skills development implemented			
1b.8	Number of trainings for improving innovation capacity and attitude	Number	60	Project monitoring
1b.9	Number of enterprises cooperating with research institutions (common indicator Nr. 26)	Number	40	Project monitoring
1b.10	Number of enterprises participating in cross-border, transnational or interregional research projects (common indicator Nr. 41)	Number	45	Application Form
1b.11	Number of research institutions participating in cross-border, transnational or interregional research projects (common indicator Nr. 42)	Number	50	Application Form

2.A.3.P1 Performance framework (Article 7 (2) (b) (v) ETC Regulation)

An identification of implementation steps and financial and output indicators and, where appropriate, results indicators, to act as milestones and targets for the performance framework in accordance with Article 19(1) CPR and Annex (xx)

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Table 5.P1: The performance framework of the Priority axis 1

Priority axis	Indicator type	ID	Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
1	Output indicator	P1.1	Number of innovation strategies, action plans, tools and pilot actions developed and/or implemented	Number	N/A	165	Project monitoring	Sum of IP 1b) output indicators 1,2 and 6
1	Output indicator	P1.2	Number of tools and pilot actions for knowledge and skills improvement developed and/or implemented	Number	N/A	90	Project monitoring	Sum of IP 1b) output indicators 3 and 7
1	Financial indicator	P1.3	ERDF certified to EC for priority axis 1	Euro	(Values)	(Values)	Project monitoring	
1	Key implementation step	P1.4	Number of approved projects in priority axis 1	Number	21	30	MC decisions	

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Additional qualitative information on the performance framework

Additional qualitative information on the set-up of the performance framework may be added if needed

In accordance with Article 20 (4) and Annex II of the CPR on the application of the performance framework, the CENTRAL EUROPE Programme has set up its performance framework. It is composed of output indicators, financial indicators as well as key implementation steps for each priority axis and includes milestones for 2018 as well as targets for 2023.

The output indicators used for the performance framework are included in an aggregated form covering the key features and main types of outputs to be expected in the frame of projects[8] supported by the CENTRAL EUROPE Programme, namely strategies and action plans, tools as well as pilot actions being developed and/or implemented (see also Section 2 in the Operational Programme, under the header "Actions to be supported under the investment priority", where types of outputs expected are described). As a consequence, their inclusion in the performance framework will ensure the capture of essential progress and achievements of the respective priority axis. This is even further underlined by the fact that the financial allocation to projects which will be delivering these types of outputs represents the full amount of the financial allocations to the respective priority axes.

The data used for each of the output indicators foreseen in the performance framework is well verifiable as it is based on the aggregation of three underlying output indicators as defined for each investment priority. The related information is thereby collected during the regular monitoring of the implementation of projects (periodic progress reports) and therefore no additional administrative burden is imposed for the data collection in the frame of the performance framework. The targets set for 2023 are the mathematical aggregation of underlying output indicator targets per investment priority, which have been established taking into account the nature and size of expected projects under each investment priority as well as on the basis of the experiences of the CENTRAL EUROPE 2007-2013 Programme.

The financial indicators included in the performance framework, namely ERDF certified to EC for the respective priority axis, are directly linked to and consistent with the information included in Section 3. The values for the milestones of 2018 and the targets in 2023 are based on the values as included in Table 16 (financing plan of the cooperation programme) being split per priority axis through applying the distribution key of the funds described in the justification of the financial allocation in Section 1.2. The financial indicator is thus entirely capturing the financial progress per priority axis. It is verifiable and transparent as it is extracted from the regular monitoring of the implementation of projects. The reporting of this indicator therefore does not generate additional administrative burden either.

In addition, key implementation steps have been included for the milestones. This is due to the fact that by the end of 2018 hardly any projects will be finalised nor any related reporting and monitoring will be closed. Consequently, most of the relevant outputs would not yet be available in 2018. In particular, it is expected that for projects approved in the first application round (starting their implementation by mid-2015) related reporting and monitoring will most likely not be closed before the end of 2018. This is based on the experience of the 2007-2013 programming period, where:

- Projects funded within the 1st and 2nd call for proposals had an average duration of around 40 months;
- Project closure took around 9 months.

[8] Projects to be understood as operations

As a consequence, key implementation steps foreseen for each priority axis express the number of projects approved by the end of 2018. The mathematical base for the milestone is that 70% of projects expected to be supported in total is going to be approved by that date. Since the approved projects will later deliver the foreseen outputs covered by the output indicators, this is considered as a relevant reference capturing the progress for the milestone of the respective priority axis. The evidence for this indicator is the respective decision taken by the CENTRAL EUROPE Monitoring Committee, being a transparent and easily verifiable information source.

2.A.4.P1 Categories of intervention (by priority axis 1) - Article 7 (2) (b) (vii) ETC Regulation

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support (Tables 6-10)

Tables 6-10.P1: Categories of intervention

Table 6: Dimension 1 Intervention field		
Priority Axis	**Code**	**€ amount**

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Table 7: Dimension 2 Form of finance		
Priority Axis	Code	€ amount

Table 8: Dimension 3 Territory		
Priority Axis	Code	€ amount

Table 9: Dimension 6 Territorial delivery mechanisms		
Priority Axis	Code	€ amount

Table 10: Dimension 12 Thematic objective		
Priority Axis	Code	€ amount

2.A.5.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 for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) (Article 7 (2) (b) (vi) ETC Regulation)

Not applicable

DRAFT

PRIORITY AXIS 2:

Cooperating on low carbon strategies in CENTRAL EUROPE

☐ The entire priority axis will be implemented solely through financial instruments

☐ The entire priority axis will be implemented solely though financial instruments set up at Union level

☐ The entire priority axis will be implemented through community-led local development

Fund: ERDF

Investment Priority (Article 87 (2) (b) (i)): 4c

Calculation basis for the Union support (public or total): total

2.A.1.4c Specific objectives corresponding to the investment priority and expected results (Article 7 (2) (b) (i)-(ii) ETC Regulation)

SPECIFIC OBJECTIVE 2.1:

To develop and implement solutions for increasing energy efficiency and renewable energy usage in public infrastructures

The results, which the Member States seek to achieve with EU support

Most central European regions show high energy consumption and a low degree of energy efficiency of buildings and infrastructure which are the main contributors to greenhouse gas emissions. The efficient use of energy can make an important contribution to achieving a low-carbon economy and combating climate change. It will also contribute to decreasing central Europe`s energy import dependence.

Increasing energy efficiency and renewable energy usage in public infrastructure (to be understood as infrastructure that is owned by the public and/or is for public use), including public buildings, is a priority given the large potential for fossil fuel energy savings as well as for spreading approaches and multiplying effects also to other sectors.

Despite some central European regions being quite advanced in terms of energy saving technologies, there is the need for increasing the overall capacity of the public sector for implementing measures to reduce CO_2 emissions of public infrastructure. In particular, public infrastructure owners and operators often lack the necessary expertise (methods and technologies) for reducing energy consumption and/or replacing the consumption of fossil fuels with renewable energy sources.

Transnational cooperation will help to reduce know-how disparities and increase capacities of the public sector for improving energy efficiency of public infrastructures with a view to reducing their energy consumption and CO_2 emissions. This shall be achieved through strengthening of competences as well as developing and implementing strategies, management approaches and financing schemes which will serve as seedbed for achieving higher energy efficiency. This will

consequently leverage further investments such as renovation of public buildings and the upgrading of the energy efficiency level of public infrastructure.

The main result envisaged can be summarised as: "Improved capacities of the public sector for increased energy efficiency and renewable energy use of public infrastructures in central Europe".

Table 3.4c.2.1: Programme-specific result indicators (for specific objective 2.1) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.1	Status of capacities of the public sector for increased energy efficiency and renewable energy use of public infrastructures	Qualitative scale	Situation description	2014	Improved capacities	Survey	2018 and 2023

2.A.2.4c Actions to be supported under the investment priority (by investment priority)

2.A.2.1.4c A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate(Article 7 (2) (b) (iii) ETC Regulation)

Actions to develop and implement solutions for increasing energy efficiency and renewable energy usage in public infrastructures (specific objective 2.1)

The supported actions shall contribute to the strengthening of capacities of the public sector for improving energy efficiency and increasing the use of renewable energy of public infrastructure including buildings. In the programme context, improving capacities has to be understood primarily as creating an enabling policy, legal and institutional environment also through developing human resources and strengthening managerial systems.

The actions shall make use of transnational cooperation to build competences and to accomplish strategies and management approaches for improving energy efficiency of public infrastructures. Further, actions shall be linked to testing and implementing solutions in terms of novel energy saving technologies as well as to increasing renewable energy shares in consumption. Innovative energy services, incentives and financing schemes will contribute to facilitating the implementation of energy efficiency measures.

All supported actions will clearly contribute to improving capacities for increased energy efficiency and renewable energy use in public infrastructures and buildings, thereby reducing the carbon footprint.

Examples of actions supported within SO 2.1 are:

– Developing, testing and implementing policies, strategies and solutions to improve the energy efficiency of public infrastructures including buildings as well as to increase the use of renewable energies

– Developing and testing innovative management approaches to increase regional capacities for improving the energy performance of public infrastructure including buildings (e.g. energy managers)
– Developing and implementing solutions for the application of novel energy saving technologies that will increase the energy efficiency of public infrastructures including buildings
– Harmonising concepts, standards and certification systems at transnational level to improve the energy performance of public infrastructure including buildings
– Strengthening the capacity of the public sector to develop and implement innovative energy services, incentives and financing schemes (e.g. energy performance contracting, PPP models, etc.)

Types of outputs

Within the supported actions different types of outputs can be obtained. Emphasis is put on policy learning and/or implementation-oriented approaches at transnational level. These can include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of investments, the implementation of pilot actions - including pilot investments - as well as capacity building also through training.

Main target groups and types of beneficiaries

In terms of target groups, a main focus will be put on public institutions, in particular owners and operators of public infrastructure, which are benefitting from the improvement of competences and consequently increased energy efficiency and lower energy expenses. Additionally, all population groups which are benefitting from an improved energy performance of public infrastructure are affected by the issue.

Beneficiaries are all those actors that can contribute to an increase of energy efficiency of public infrastructures. They comprise among others local, regional and national public authorities, regional development agencies, energy suppliers, energy management institutions and enterprises, the construction sector, regional associations, regional innovation agencies, NGOs, financing institutions, education and training centres as well as universities and research institutes.

Specific territories targeted

The supported actions can be implemented throughout the cooperation area: emphasis will be put on regions that face energy efficiency deficiencies in their public infrastructures and that can benefit from exchanges and learnings from more advanced regions. Simultaneously, regions which already show a better energy performance will be further strengthened.

2.A.2.2.4c The guiding principles for the selection of operations (Article 7 (2) (b) (iii) ETC)

The selection of project proposals will be carried out following the guiding principles as outlined in the respective section 2.A.2.2.1b referring to investment priority 1b.

2.A.2.3.4c The planned use of financial instruments (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

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2.A.2.4.4c The planned use of major projects (Article 7 (2) (be) (iiie) ETC Regulation)

Not applicable

2.A.2.5.4c Output indicators (by investment priority) (Table 4) (Article 7 (2) (b) (iv) ETC Regulation)

Table 5.4c: Common and programme specific output indicators (by investment priority 4c)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
4c.1	Number of strategies and action plans in the field of improved energy efficiency and renewable energy use in public infrastructures developed and/or implemented	Number	15	Project monitoring
4c.2	Number of tools and/or services for low carbon performance of public infrastructures developed and/or implemented	Number	10	Project monitoring
4c.3	Amount of investments/funds leveraged for lowering the carbon footprint of public infrastructure	Million €	28	Project monitoring
4c.4	Number of pilot actions for low carbon solutions of public infrastructures implemented	Number	25	Project monitoring
4c.5	Number of trainings on low carbon solutions for public infrastructures	Number	12	Project monitoring
4c.6	Number of enterprises participating in cross-border, transnational or interregional research projects (common indictor No. 41)	Number	6	Application Form
4c.7	Number of research institutions participating in cross-border, transnational or interregional research projects (common indicator No. 42)	Number	10	Application Form

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Investment Priority (Article 87 (2) (b) (i)): 4e

Calculation basis for the Union support (public or total): total

2.A.1.4e Specific objectives corresponding to the investment priority and expected results (Article 7 (2) (b) (i)-(ii) ETC Regulation)

SPECIFIC OBJECTIVE 2.2:

To improve territorially based energy planning strategies and policies supporting climate change mitigation

The results, which the Member States seek to achieve with EU support

Central Europe has significant potentials with regard to renewable resources. However, the degree of exploitation of those resources varies largely: while the use of renewable energy is still low in several central European regions, some others show higher rates of exploitation. Despite the fact that in some regions a considerable experience about renewable energy production already exists, the development and implementation of regional energy strategies and action plans is still at a low level.

Consequently, there is the need to improve capacities for regional energy planning in central Europe. Enhanced cooperation will enable coordinated regional approaches to energy strategy formulation and planning which is key to the uptake of renewable energy measures.

Transnational cooperation shall help building new knowledge as well as exchanging on existing knowledge and experiences between and within regions concerning the planning, financing and implementing of concrete actions to deliver sustainable energy measures. It aims to improve the capacity of regional actors, which is a key starting point for mobilising investment for low carbon measures at regional level. Transnational cooperation will thereby contribute to triggering activities especially in regions with a lower usage of their renewable energy potentials. Furthermore, it will support linking approaches between the demand and supply sides taking into account the quality and capacity of energy distribution grids. This shall be achieved through strengthening the knowledge and planning capacity of regional energy actors facilitating the transition towards 'Sustainable Energy Regions'. It will support them in the development and implementation of innovative local/regional energy planning strategies leading to an enhanced use of endogenous renewable energy potentials and reduction of CO2 emissions.

The main result envisaged can be summarised as: "Improved capacities of regional actors for territorially based energy planning and policies in central European regions".

Table 3.4e.2.2: Programme-specific result indicators (for specific objective 2.2) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.2	Status of capacities of regional actors for territorially based energy planning and policies	Qualitative scale	Situation description	2014	Improved capacities	Survey	2018 and 2023

SPECIFIC OBJECTIVE 2.3:

To improve capacities for mobility planning in functional urban areas to lower CO_2 emissions

The results, which the Member States seek to achieve with EU support

In central Europe, as in the rest of Europe, transport is the second largest energy consuming sector and the fastest growing in terms of energy use. Its strong reliance on fossil fuels means high greenhouse gas emissions driving climate change as well as lowering air quality (e.g. particular matter and ozone). Due to the existing urbanisation tendencies these developments challenge especially central Europe`s cities, where transport demand is constantly increasing and negative externalities are most evident.

For addressing these issues and achieving the overall goal of reducing CO_2 emissions there is a need to improve the energy efficiency of urban transport. However, due to the importance of interactions between cities and their hinterlands (e.g. commuters) urban mobility challenges are to be considered at the level of functional urban areas (FUA)[9]. A high potential for the reduction of greenhouse gas emissions lies thereby within the public transport sector. However, capacities in the field of low carbon mobility planning at the level of FUAs are unevenly spread across central Europe and need to be improved through fostering integrated approaches to planning.

Transnational cooperation can help increasing planning capacities for low-carbon mobility by bringing together fore-riders with territories lagging behind, thus enhancing low-carbon mobility in central European FUAs. This will allow the development and implementation of integrated mobility concepts, the setting up of adequate management structures and the deployment of innovative technologies. The promotion of innovative low carbon mobility solutions at transnational level will support authorities in their efforts towards the goal of sustainable mobility.

The main result envisaged can be summarised as: "Improved capacities for low carbon mobility planning in central Europe's functional urban areas".

Table 3.4e.2.3: Programme-specific result indicators (for specific objective 2.3) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.3	Status of capacities for low-carbon mobility planning in functional urban areas	Qualitative scale	Situation description	2014	Improved capacities	Survey	2018 and 2023

[9] Definition of functional urban areas (FUA) for the OECD metropolitan database, OECD, September 2013

2.A.2.4e Actions to be supported under the investment priority (by investment priority)

2.A.2.1.4e A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate(Article 7 (2) (b) (iii) ETC Regulation)

Actions referring to this investment priority shall contribute to increasing the capacities of actors in the field of regional energy planning as well as those dealing with mobility planning in functional urban areas, targeting the reduction of CO_2 emissions. In the programme context, improving capacities has to be understood primarily as creating an enabling policy, legal and institutional environment also through developing human resources and strengthening managerial systems.

Transnational cooperation can bring added value through facilitating the exchange between territories with highly advanced planning capacities and the ones lagging behind. Further, it will contribute to bring together various stakeholders in energy planning in order to achieve coordinated approaches.

According to the specific objectives within investment priority 4(e), two sets of interventions will be supported:

- Actions to improve territorially based energy planning strategies and policies supporting climate change mitigation (referring to specific objective 2.2)
- Actions to improve capacities for mobility planning in functional urban areas to lower CO_2 emissions (referring to specific objective 2.3)

Actions to improve territorially based energy planning strategies and policies supporting climate change mitigation (specific objective 2.2)

The supported actions shall make use of transnational cooperation for improving capacities of relevant actors in the energy planning sector. This will enable them to develop integrated local/regional strategies and plans for better using endogenous renewable energy potentials and for improving regional energy performances. Actions supported shall combine the demand and the supply sides and shall focus on strategies, policies, tools and new solutions for the exploitation of renewable energy resources as well as for increased energy efficiency.

The implementation of pilot actions and exchanges of good practices will stimulate and trigger investments in the public and private sector towards low carbon development. Coordinated strategies for improved interconnections of energy networks will enable a better integration of renewable energy sources into the existing distribution networks and consequently open the opportunity for an increased production and use of renewable energy.

All the supported actions will clearly contribute to the improvement of capacity for an increased use of endogenous renewable energy potentials and an enhanced energy performance in central European regions. Moreover, they will contribute to the improvement of territorially based energy planning strategies and policies supporting climate change mitigation.

Examples of actions supported within SO 2.2 are:

- Developing and implementing integrated local/regional strategies and plans to increase the use of endogenous renewable energy potentials and improve regional energy performance
- Designing and testing concepts and tools for the exploitation of endogenous renewable energy resources
- Developing and implementing management strategies to improve the energy performance in both the public and the private sector (especially in SMEs)
- Developing demand-focused strategies and policies to reduce energy consumption (e.g. smart metering, distribution of smart consumer applications, etc.)
- Developing and testing solutions for improved interconnections and coordination of energy networks targeting the integration and use of renewable energy sources

Actions to improve capacities for mobility planning in functional urban areas to lower CO_2 emissions (specific objective 2.3)

The supported actions shall make use of transnational cooperation to target the improvement of capacities of mobility planners fostering the reduction of CO_2 emissions in functional urban areas. This will be achieved by the exchange of knowledge and the development of integrated mobility concepts and action plans. Furthermore, actions are linked to fostering smart low-carbon mobility in functional urban areas through new services and products such as multimodal services. Practical tools and concepts (including financing models) can assist the policy level in their efforts towards the goal of sustainable mobility. The strengthening of energy governance can mainstream sustainable energy and mobility planning within the broader policy context.

The supported actions are clearly contributing to the improvement of capacities for mobility planning and consequently the reduction of CO_2 emissions in functional urban areas.

Examples of actions supported within SO 2.3 are:

- Developing and implementing integrated mobility concepts and action plans for reducing CO_2 emissions
- Setting up governance systems as a basis for integrated low-carbon mobility in functional urban areas
- Developing and testing concepts and strategies (including innovative financing and investment models) to facilitate the introduction of novel low-carbon technologies in the public transport sector in functional urban areas
- Developing and implementing services and products fostering smart low-carbon mobility in functional urban areas (e.g. multimodal services, etc.)

Types of outputs

Within the supported actions different types of outputs can be obtained. Emphasis is put on policy learning and/or implementation-oriented approaches at transnational level (novel technologies, etc.). These can include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of investments, implementation of pilot actions - including pilot investments - as well as capacity building also through training.

Main target groups and types of beneficiaries

A variety of relevant actors will be addressed as target groups, with different approaches to stimulate the uptake of energy efficiency and renewable energy solutions as well as solutions for low-carbon mobility. They include both the public and private sector, such as energy users, energy providers, policy makers and planners, energy distributers, infrastructure providers and other local and regional energy actors. A specific focus will be put on energy and low-carbon mobility planning and public transport operators. Target groups include all population groups which are benefitting from an improved regional energy performance as well as users of improved low-carbon public transport systems in functional urban areas which are affected by the issue.

Beneficiaries are all those bodies that can contribute to improved energy and mobility planning. They comprise among others local, regional and national public authorities, regional development agencies, energy suppliers, energy management institutions, enterprises, public transport operators, regional associations, regional innovation agencies, NGOs, financing institutions, education and training centres as well as universities and research institutes.

Specific territories targeted

The supported actions can be implemented throughout the cooperation area. Emphasis will be put on regions having deficiencies in regional energy planning and low-carbon public transport systems in functional urban areas for which an exchange and learning from more advanced regions will be most beneficial.

2.A.2.2.4e The guiding principles for the selection of operations (Article 7 (2) (b) (iii) ETC)

The selection of project proposals will be carried out following the guiding principles as outlined in the respective section 2.A.2.2.1b referring to investment priority 1b.

2.A.2.3.4e The planned use of financial instruments (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.4.4e The planned use of major projects (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.5.4e Output indicators (by investment priority) (Table 4) (Article 7 (2) (b) (iv) ETC Regulation)

Table 5.4e: Common and programme-specific output indicators (by investment priority 4e)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
4e.1	Number of strategies and action plans for the improvement of energy performance at local/regional level developed and/or implemented	Number	25	Project monitoring
4e.2	Number of strategies and action plans for low-carbon mobility in functional urban areas developed and/or implemented	Number	15	Project monitoring
4e.3	Number of tools for the improvement of energy performance at local/regional level developed and/or implemented	Number	10	Project monitoring
4e.4	Number of tools and/or services fostering low-carbon mobility in functional urban areas developed and/or implemented	Number	10	Project monitoring
4e.5	Amount of investments /funds leveraged for improved local/regional energy performance	Million €	30	Project monitoring
4e.6	Amount of investments /funds leveraged for low-carbon mobility in functional urban areas	Million €	25	Project monitoring

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
4e.7	Number of pilot actions for improved regional/local energy performance implemented	Number	24	Project monitoring
4e.8	Number of pilot actions for low carbon mobility in functional urban areas implemented	Number	20	Project monitoring
4e.9	Number of trainings on low carbon solutions	Number	28	Project monitoring
4e.10	Number of enterprises participating in cross-border, transnational or interregional research projects (common indicator No. 41)	Number	10	Application form
4e.11	Number of research institutions participating in cross-border, transnational or interregional research projects (common indicator No. 42)	Number	22	Application form

2.A.3.P2 Performance framework (Article 7 (2) (b) (v) ETC Regulation))

An identification of implementation steps and financial and output indicators and, where appropriate, results indicators, to act as milestones and targets for the performance framework in accordance with Article 19(1) CPR and Annex (xx)

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Table 5.P2: The performance framework for priority axis 2

Priority axis	Indicator type	ID	Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
2	Output indicator	P2.1	Number of strategies, action plans, tools and pilot actions in the field of improved energy efficiency and renewable energy use in public infrastructures developed and/or implemented	Number	N/A	50	Project monitoring	Sum of the IP 4c) output indicators 1,2 and 4
2	Output indicator	P2.2	Number of strategies, action plans, tools and pilot actions for the improvement of energy performance at local/regional level developed and/or implemented	Number	N/A	59	Project monitoring	Sum of the IP 4e) output indicators 1,3 and 7
2	Output indicator	P2.3	Number of strategies, action plans, tools and pilot actions for low carbon mobility in functional urban areas developed and/or implemented	Number	N/A	45	Project monitoring	Sum of the IP 4e) output indicators 2,4 and 8
2	Financial indicator	P2.4	ERDF certified to EC for priority axis 2	Euro	(Values)	(Values)	Project monitoring	
2	Key implementation step	P2.5	Number of approved projects in priority axis 2	Number	14	20	MC decisions	

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Additional qualitative information on the performance framework

Additional qualitative information on the set-up of the performance framework may be added if needed

The performance framework has been set up following the methodology as outlined in the respective section 2.A.3.P1 referring to priority 1.

2.A.4.P2 Categories of intervention (by priority axis 2) - Article 7 (2) (b) (vii) ETC Regulation

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support (Tables 6-10)

Tables 6-10.P2: Categories of intervention

Table 6: Dimension 1 Intervention field		
Priority Axis	Code	€ amount

Table 7: Dimension 2 Form of finance		
Priority Axis	Code	€ amount

Table 8: Dimension 3 Territory		
Priority Axis	Code	€ amount

Table 9: Dimension 6 Territorial delivery mechanisms		
Priority Axis	Code	€ amount

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Table 10: Dimension 12 Thematic objective		
Priority Axis	Code	€ amount

2.A.5.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 for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) (by priority axis) (Article 7 (2) (b) (vi) ETC Regulation)

Not applicable

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PRIORITY AXIS 3:

Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE

☐ The entire priority axis will be implemented solely through financial instruments

☐ The entire priority axis will be implemented solely though financial instruments set up at Union level

☐ The entire priority axis will be implemented through community-led local development

Fund: ERDF

Investment Priority (Article 87 (2) (b) (i)):6c

Calculation basis for the Union support (public or total): total

2.A.1.6c Specific objectives corresponding to the investment priority and expected results (Article 7 (2) (b) (i)-(ii) ETC Regulation))

SPECIFIC OBJECTIVE 3.1:

To improve integrated environmental management capacities for the protection and sustainable use of natural heritage and resources

The results, which the Member States seek to achieve with EU support

Central Europe has a very rich natural heritage including important eco-systems and abundant biodiversity. This heritage and related natural resources are highly valuable and need to be preserved and protected. At the same time natural heritage is an important location factor and the use of its assets can serve as drivers for economic development. As a consequence, natural heritage and resources are subject to numerous pressures and usage conflicts, e.g. between environmental protection and industry, agriculture, transport, urbanisation and tourism. Further pressures arise from the increasing risk of natural hazards linked to the effects of climate change.

The complexity of these challenges requires integrated approaches based on sustainable long-term strategic visions linking different policies, sectors and administrative levels. Integrated environmental management thereby means a comprehensive approach to natural resource planning and management that encompasses ecological, social, and economic objectives. It considers the interrelationships among different elements and incorporates concepts of carrying capacity, resilience and sustainability. The capacities for such integrated environmental approaches are, however, not yet sufficiently established in many central European regions as notably shown by the large number of usage conflicts and pressures on natural heritage and resources.

Transnational cooperation will allow improving the capacities of regional actors by supporting the development and implementation of integrated environmental strategies and tools as well as the joint testing of pilot solutions. This will facilitate a larger uptake of the integrated environmental

concept into the public and private sector such as the application of innovative technologies and introducing resource efficient solutions.

The main result envisaged can be summarised as: "Improved integrated environmental management capacities of regional actors for the sustainable use of natural heritage and resources in central Europe".

Table 3.6c.3.1: Programme-specific result indicators (for specific objective 3.1) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of Data	Frequency of reporting
3.1	Status of integrated environmental management capacities of regional actors for the sustainable use of natural heritage and resources	Qualitative scale	Situation description	2014	Improved capacities	Survey	2018 and 2023

SPECIFIC OBJECTIVE 3.2:

To improve capacities for the sustainable use of cultural heritage and resources

The results, which the Member States seek to achieve with EU support

Central Europe has a great diversity of cultural heritage and resources in terms of historic sites, artefacts, traditions, cultural landscapes as well as traditional skills and knowledge and much more. This heritage and its related resources represent important location factors, strongly contributing to the attractiveness of central Europe's territory. The protection and valorisation of cultural heritage and resources represent a powerful potential for economic growth (including cultural and creative industries), generating value and thereby directly benefiting citizens.

The cultural richness is, however, often not well valorised or even threatened, and related potentials are not sufficiently used notably due to a lack of funding and investment, insufficient management and preservation skills as well as a lack of coordination (e.g. for connected heritage along cultural routes). Furthermore, external pressures due to usage conflicts, unsustainable approaches (e.g. mass tourism) but also linked to climate change are negatively impacting central Europe's cultural heritage. There is the need for facilitating a good balance between the preservation of cultural heritage and sustainable long-term socio-economic development of regions in order to strengthen their attractiveness and competitiveness. Emphasis needs to be placed on managing conflicting usage interests and on capitalising the potential of cultural heritage assets for economic, social and cultural activities.

Transnational cooperation will allow improving capacities of the relevant actors of the sector by supporting integrated approaches which coordinate the preservation and management of the cultural heritage and resources with sustainable growth. The development and implementation of strategies and policies for valorising cultural heritage and exploiting potentials of cultural and creative industries will trigger economic opportunities and employment at regional level.

The main result envisaged can be summarised as: "Improved capacities of regional actors for the sustainable use of cultural heritage and resources in central Europe".

Table 3.6c.3.2: Programme-specific result indicators (for specific objective 3.2) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.2	Status of capacities of regional actors for the sustainable use of cultural heritage and resources	Qualitative scale	Situation description	2014	Improved capacities	Survey	2018 and 2023

2.A.2.6c Actions to be supported under the investment priority (by investment priority)

2.A.2.1.6c A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate(Article 7 (2) (b) (iii) ETC Regulation)

The supported actions will contribute to the improvement of capacities for the protection and sustainable use of both, natural and cultural heritage and resources. Thereby the application of an integrated approach is a key factor to ensure sustainable development and to avoid usage conflicts. In the programme context, improving capacities has to be understood primarily as creating an enabling policy, legal and institutional environment also through developing human resources and strengthening managerial systems.

Transnational cooperation can thereby add value by building new knowledge and by fostering the exchange of knowledge and experience among regions, in particular addressing the stakeholders dealing with the protection of natural and cultural heritage and resources as well as their management and valorisation. Transnational coordination can also be essential for ensuring coherent and effective solutions and policies.

According to the specific objectives within investment priority 6(c), two sets of intervention will be supported:

– Actions to improve integrated environmental management capacities for the protection and sustainable use of natural resources and heritage (referring to specific objective 3.1)

– Actions to improve capacities for the sustainable use of cultural heritage and resources (referring to specific objective 3.2)

Actions to improve integrated environmental management capacities for the protection and sustainable use of natural resources and heritage (Specific Objective 3.1)

The supported actions shall increase capacities of relevant actors to preserve, manage and use natural heritage and resources. This includes building capacities for capitalising on location factors as the high-value of eco-systems in an integrated and sustainable way, promoting a sustainable

regional development. Furthermore, the focus on integrated environmental management approaches and strategies shall contribute to reducing current and avoiding future usage conflicts. Resource efficiency is thereby another key aspect to be considered as a guiding principle. In order to facilitate its application, both in the public and private sectors, innovative tools and technologies shall be developed and tested. Joint and harmonised tools and concepts will be applied to respond to challenges of negative climate change impacts in order to allow effective and coherent solutions.

All the supported actions will clearly contribute to improving integrated environmental management capacities thereby fostering the protection and sustainable use of natural heritage and resources in central Europe.

Examples of actions supported within specific objective 3.1 are:

- Developing and implementing integrated strategies and tools for the sustainable management of protected or environmentally highly valuable areas (e.g. biodiversity, landscapes, eco-systems, etc.)
- Developing and implementing integrated strategies and tools to sustainably use natural resources for regional development, thus avoiding potential use conflicts (e.g. with tourism, transport, industry, agriculture, energy etc.)
- Developing and testing the application of innovative technologies and tools facilitating effective integrated environmental management (e.g. remediation technologies, monitoring tools etc.)
- Developing and testing applications to improve the efficient management of natural resources in public institutions and businesses (e.g. reduction of natural resource consumption, closed loop systems)
- Harmonising environmental management concepts and tools on the transnational level to reduce negative climate change impacts on the environment (e.g. adaptation measures)

Actions to improve capacities for the sustainable use of cultural heritage and resources (specific objective 3.2)

The supported actions shall make use of transnational cooperation targeting the improvement of capacities of relevant actors in the field of cultural heritage for accomplishing a more sustainable use and valorisation of those assets. Actions are linked to setting up concepts, strategies and coordinated approaches aiming at an improved protection, management and sustainable use of cultural heritage and resources. Investment shall be prepared and business plans elaborated increasing the awareness on the value of cultural resources and fostering cultural and creative entrepreneurship, including creative industries. Overall, this improved capacity shall allow better protection of cultural heritage and related resources going hand in hand with an enhanced exploitation of existing potentials (e.g. in the growing sectors of cultural tourism, cultural and creative industries etc.), thus supporting sustainable economic development and employment.

All the supported actions will clearly contribute to improve capacities for the sustainable use of cultural heritage and resources, thereby fostering their preservation as well as their economic valorisation.

Examples of actions supported within specific objective 3.2 are:

- Developing and implementing strategies and policies for valorising cultural heritage and resources and/or the potentials of the cultural and creative industries
- Developing and implementing integrated local/regional development strategies and concepts that build on cultural heritage to foster sustainable economic growth and employment (e.g. in the tourism sector)
- Developing and testing innovative management tools for the preservation and sustainable use of cultural heritage and resources (e.g. ICT applications)
- Establishing and strengthening transnational cooperation among relevant actors to foster the sustainable use and the promotion of cultural heritage sites in central Europe

Types of outputs

Within the supported actions different types of outputs can be obtained. Emphasis is put on policy learning and/or implementation-oriented approaches at transnational level. These can include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of investments, the implementation of pilot actions - including pilot investments - as well as capacity building also through training.

Main target groups and types of beneficiaries

A variety of actors in the natural and cultural heritage sector will be addressed as target groups. They include both the public and private sector, such as policy makers and planners and organisations dealing with the management and valorisation of natural and/or cultural heritage and resources as well as owners and users of natural and/or cultural heritage sites. Target groups include all population groups which are benefitting from the improved management of natural and cultural heritage and resources.

Beneficiaries are all those bodies that can contribute to an improved management and sustainable use of natural and cultural heritage and resources. They comprise among others local, regional and national public authorities, regional development agencies, enterprises (in particular within the cultural and creative industry as well as the environmental sector), associations, regional innovation agencies, special interest groups, NGOs, financing institutions, education and training centres as well as universities and research institutes.

Specific territories targeted

The supported actions can be implemented throughout the cooperation area. Emphasis will be put on regions with high value environments or with areas facing significant pressures and usage conflicts as well as on regions with natural and cultural heritage sites.

2.A.2.2.6c The guiding principles for the selection of operations (Article 7 (2) (b) (iii) ETC)

The selection of project proposals will be carried out following the guiding principles as outlined in the respective section 2.A.2.2.1b referring to investment priority 1b.

2.A.2.3.6c The planned use of financial instruments (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.4.6c The planned use of major projects (Article 7 (2) (b) (iii) ETC Regulation))

Not applicable

2.A.2.5.6c Output indicators (by investment priority) (Table 4) (Article 7 (2) (b) (iv) ETC Regulation)

Table 5.6c: Common and programme specific output indicators (by Investment priority 6c)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
6c.1	Number of strategies and action plans for protection and sustainable use of natural resources and heritage developed and/or implemented	Number	50	Project monitoring
6c.2	Number of strategies and action plans for sustainable management of cultural heritage and resources developed and/or implemented	Number	50	Project monitoring
6c.3	Number of tools for protection and sustainable use of natural resources and heritage developed and/or implemented	Number	35	Project monitoring
6c.4	Number of tools for sustainable use of cultural resources and heritage developed and/or implemented	Number	35	Project monitoring
6c.5	Amount of investments /funds leveraged for protection and sustainable use of natural resources and heritage	Million €	40	Project monitoring
6c.6	Amount of investments /funds leveraged for protection and sustainable use of cultural resources and heritage	Million €	30	Project monitoring
6c.7	Number of pilot actions for protection and sustainable use of natural resources and heritage implemented	Number	60	Project monitoring
6c.8	Number of pilot actions for protection and sustainable use of cultural resources and heritage implemented	Number	60	Project monitoring
6c.9	Number of trainings on protection and sustainable use of natural resources and heritage	Number	30	Project monitoring
6c.10	Number of trainings on protection and sustainable use of cultural resources and heritage	Number	30	Project monitoring
6c.11	Number of enterprises participating in cross-border, transnational or interregional research projects (common indictor No. 41)	Number	30	Application Form
6c.12	Number of research institutions participating in cross-border, transnational or interregional research projects (common indictor No. 42)	Number	50	Application Form

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Investment Priority (Article 87 (2) (b) (i)):6e

Calculation basis for the Union support (public or total): total

2.A.1.6e Specific objectives corresponding to the investment priority and expected results (Article 7 (2) (b) (i)-(ii) ETC Regulation))

SPECIFIC OBJECTIVE 3.3:

To improve environmental management of functional urban areas to make them more liveable places

The results, which the Member States seek to achieve with EU support

Central Europe includes many regions in which urbanisation processes cause land use conflicts and generate urban environmental challenges. Although scale and intensity of problems vary, a common set of issues can be identified, including: increased soil sealing, poor air and water quality, high levels of ambient noise, generation of large volumes of waste and waste water, vulnerability to climate change, as well as urban sprawl with its social implications. Due to these developments the quality of life (and health) of citizens varies strongly in different central Europe[10] cities. They also have an impact on the environment and economic performance of cities.

These challenges call for integrated environmental management of urban areas, which considers environmental impacts of all activities within the entire functional area of a city.[11] Therefore, integrated environmental management is addressing functional urban areas (FUA) based on functional characteristics[12] going beyond administrative boundaries of cities.

Capacities for integrated environmental management ensuring compliance with environmental policies, engaging with the relevant stakeholders and integrating environmental considerations into economic decisions are, however, not yet sufficiently established in many central European cities.

Transnational cooperation will help to increase those capacities by supporting the development and implementation of integrated environmental management to improve the environmental performance of functional urban areas. The development and implementation of strategies and tools as well as the joint testing of pilot applications (e.g. for rehabilitation of sites) will trigger investments for improving the quality of the urban environment.

The main result envisaged can be summarised as: "Improved environmental management capacities in central Europe's functional urban areas".

[10] E.g.: Rank 1: Vienna (AT), Rank 4: Munich (DE), Rank 41: Milan (IT) (Mercer 2013: online).

[11] Integrated environmental management, Guidance in Relation to the Thematic Strategy on the Urban Environment, European Commission, 2006a

[12] Definition of functional urban areas (FUA) for the OECD metropolitan database, OECD, September 2013

Table 3.6e.3.3: Programme-specific result indicators (by specific objective 3.3) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.3	Status of environmental management capacities in functional urban areas	Qualitative scale	Situation description	2014	Improved capacities	Survey	2018 and 2023

2.A.2.6e Actions to be supported under the investment priority (by investment priority)

2.A.2.1.6e A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate(Article 7 (2) (b) (iii) ETC Regulation)

Actions to improve environmental management of functional urban areas to make them more liveable places (specific objective 3.3)

The supported actions will contribute to improving capacities of actors within the urban context for enhancing environmental management in functional urban areas. In the programme context, improving capacities has to be understood primarily as creating an enabling policy, legal and institutional environment also through developing human resources and strengthening managerial systems.

The supported actions shall make use of transnational cooperation to connect different actors within and across different functional urban areas to build knowledge and competences and to accomplish strategies and management systems able to tackle urban environmental problems. Integrated approaches shall include cross-sectoral and multi-governance aspects considering also social implications. The development and testing of innovative solutions and tools (including financing models) as well as pilot actions may further support the implementation of measures and investments for improving the quality of the urban environment and consequently the quality of life for urban residents.

All the supported actions will clearly contribute to improving environmental management capacities in central Europe's functional urban areas, thereby making them more liveable places.

Examples of joint actions supported within specific objective 3.3 are:

- Developing and implementing strategies and tools (including innovative financing and investment models) to manage and improve environmental quality (air, water, waste, soil, climate) in functional urban areas
- Strengthening the capacity for urban environmental planning and management (e.g. participatory planning mechanisms and decision making processes)
- Developing and implementing integrated strategies, policies and tools to reduce land-use conflicts in functional urban areas (e.g. urban sprawl, shrinkage and fragmentation also in the view of social implications)
- Developing and implementing integrated strategies and pilot applications for the rehabilitation and reactivation of brownfield sites

– Developing concepts and implementing environmental pilot applications to support the development towards smart cities (e.g. ICT applications, environmental technologies)

Types of outputs

Within the supported actions different types of outputs can be obtained. Emphasis is put on policy learning and/or implementation-oriented approaches at transnational level. These can include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of investments, the implementation of pilot actions - including pilot investments - as well as capacity building also through training.

Main target groups and types of beneficiaries

A variety of relevant actors in the field of urban environmental management will be addressed as target groups. They include the public and the private sectors, such as policy makers, planners, environmental facilities, infrastructure owners and operators as well as other organisations influencing the development of functional urban areas. Target groups include all population groups within functional urban areas which are benefitting from improved environmental management.

Beneficiaries are all those bodies that can contribute to improved environmental management of functional urban areas. They comprise among others local, regional and national public authorities, regional development agencies, enterprises, environmental facilities and infrastructure operators and owners, associations, regional innovation agencies, special interest groups, NGOs, financing institutions, education and training centres as well as universities and research institutes.

Specific territories targeted

The supported actions can be implemented throughout the cooperation area. Emphasis will be put on functional urban areas having deficiencies in urban environmental management with the aim of exchanging with and learning from more advanced regions.

2.A.2.2.6e The guiding principles for the selection of operations (Article 7 (2) (b) (iii) ETC)

The selection of project proposals will be carried out following the guiding principles as outlined in the respective section 2.A.2.2.1b referring to investment priority 1b.

2.A.2.3.6e The planned use of financial instruments (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.4.6e The planned use of major projects (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.5.6e Output indicators (by investment priority) (Table 4) (Article 7 (2) (b) (iv) ETC Regulation)

Table 5.6e: Common and programme specific output indicators (by Investment priority 6e)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
6e.1	Number of strategies and action plans to improve environmental quality in functional urban areas developed and/or implemented	Number	25	Project monitoring
6e.2	Number of tools for environmental planning and management in functional urban areas developed and/or implemented	Number	25	Project monitoring
6e.3	Amount of investments /funds leveraged for improvement of the environmental quality in functional urban areas	Million €	30	Project monitoring
6e.4	Number of pilot actions for improvement of the environmental quality in functional urban areas implemented	Number	40	Project monitoring
6e.5	Number of trainings on urban environmental management and planning	Number	20	Project monitoring
6e.6	Number of enterprises participating in cross-border, transnational or interregional research projects (common indicator No.41)	Number	7	Application Form
6e.7	Number of research institutions participating in cross-border, transnational or interregional research projects (common indicator No.42)	Number	15	Application Form

2.A.3.P3 Performance framework (Article 7 (2) (b) (v) ETC Regulation))

An identification of implementation steps and financial and output indicators and, where appropriate, results indicators, to act as milestones and targets for the performance framework in accordance with Article 19(1) CPR and Annex (xx)

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Table 5.P3: The performance framework of the Priority axis 3

Priority axis	Indicator type	ID	Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
3	Output indicator	P3.1	Number of strategies, action plans, tools and pilot actions for protection and sustainable use of natural resources and heritage developed and/or implemented	Number	N/A	145	Project monitoring	Sum of the IP 6c) output indicators 1,3 and 7
3	Output indicator	P3.2	Number of strategies, action plans, tools and pilot actions for sustainable management of cultural heritage and resources developed and/or implemented	Number	N/A	141	Project monitoring	Sum of the IP 6c) output indicators 2,4 and 8
3	Output indicator	P3.3	Number of strategies, action plans, tools and pilot actions to improve environmental quality in functional urban areas developed and/or implemented	Number	N/A	90	Project monitoring	Sum of the IP 6e) output indicators 1,2 and 4
3	Financial indicator	P3.4	ERDF certified to EC for priority axis 3	Euro	(Values)	(Values)	Project monitoring	
3	Key implementation step	P3.5	Number of approved projects in priority axis 3	Number	28	40	MC decisions	

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Additional qualitative information on the performance framework

Additional qualitative information on the set-up of the performance framework may be added if needed

The performance framework has been set up following the methodology as outlined in the respective section 2.A.3.P1 referring to priority 1.

2.A.4.P3 Categories of intervention (by priority axis 3) - Article 7 (2) (b) (vii) ETC Regulation

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support (Tables 6-10)

Tables 6-10.P3: Categories of intervention

Table 6: Dimension 1 Intervention field		
Priority Axis	**Code**	**€ amount**

Table 7: Dimension 2 Form of finance		
Priority Axis	**Code**	**€ amount**

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Table 8: Dimension 3 Territory		
Priority Axis	Code	€ amount

Table 9: Dimension 6 Territorial delivery mechanisms		
Priority Axis	Code	€ amount

Table 10: Dimension 12 Thematic objective		
Priority Axis	Code	€ amount

2.A.5.P3 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 for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) (by priority axis) (Article 7 (2) (b) (vi) ETC Regulation)

Not applicable

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PRIORITY AXIS 4:

Cooperating on transport to better connect CENTRAL EUROPE

☐ The entire priority axis will be implemented solely through financial instruments

☐ The entire priority axis will be implemented solely though financial instruments set up at Union level

☐ The entire priority axis will be implemented through community-led local development

Fund: ERDF

Investment Priority (Article 87 (2) (b) (i)):7b

Calculation basis for the Union support (public or total): total

2.A.1.7b Specific objectives corresponding to the investment priority and expected results (Article 7 (2) (b) (i)-(ii) ETC Regulation))

SPECIFIC OBJECTIVE 4.1:

To improve planning and coordination of regional passenger transport systems for better connections to national and European transport networks

The results, which the Member States seek to achieve with EU support

The central Europe area exhibits weak local, regional and transnational accessibility especially outside of agglomerations and in its eastern parts. Transport systems mostly lack integration between modes of transport. Many peripheral regions are facing a low quality of public transport and are not sufficiently linked to TEN-T corridors and transport nodes. Indeed, while some regions have well developed mobility planning systems, in others relevant knowledge and capacity is missing.

With respect to the development and implementation of integrated passenger transport systems and multimodality, central European regions show large disparities, where transnational coordination is lacking.

In this context transnational cooperation aims to reduce existing disparities of knowledge as well as to increase the planning and implementation capacity in the field of integrated passenger transport systems. Transnational cooperation can strengthen connections to TEN-T corridors and to primary, secondary and tertiary transport nodes of the TEN-T network[13], in particular for peripheral regions. A specific focus will be put on public transport at regional level as the sustainability of those connections is considered to be an underlying principle. Strategies, tools and pilot applications will contribute to setting up improved connections to the TEN-T network and transport nodes. Furthermore, within the transnational context the development of coordinated concepts for smart

[13] As defined according to "The New Trans-European Transport Network Policy Planning and implementation issues", SEC(2011) 101 final.

regional mobility and services is foreseen, fostering improved service standards and interoperability. Particular attention will be put on mobility services in the public interest.

The main result envisaged can be summarised as: "Improved planning and coordination of regional passenger transport systems in central Europe linked to national and European transport networks".

Table 3.7b.4.1: Programme-specific result indicators (for specific objective 4.1) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4.1	Status of mobility planning capacities and coordination of regional passenger transport systems linked to national and European transport networks	Qualitative scale	Situation description	2014	improved capacities	Survey	2018 and 2023

2.A.2.7b Actions to be supported under the investment priority (by investment priority)

2.A.2.1.7b A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate(Article 7 (2) (b) (iii) ETC Regulation)

Actions to improve planning and coordination of regional passenger transport systems for better connections to national and European transport networks (specific objective 4.1)

The supported actions shall make use of transnational cooperation to accomplish improved capacities for planning of regional passenger transport systems within and between central Europe regions. Actions will particularly target the needs of peripheral regions with respect to linkages to the TEN-T network and transport nodes.

In the programme context, improving capacities has to be understood primarily as creating an enabling policy, legal and institutional environment also through developing human resources and strengthening managerial systems. This will be achieved by creating knowledge or exchanging on existing knowledge, developing and implementing strategies, tools and pilot applications for improving regional transport, which are expected to trigger investments in the field. Considering the principle of sustainable development, emphasis shall be put on public transport at regional level. Actions linked to the development of coordinated concepts for smart regional mobility and services (also considering mobility services in the public interest) will foster improved service standards and interoperability.

All the supported actions will clearly contribute to improving the planning and coordination of regional passenger transport systems in central Europe, thus strengthening the link to national and European transport networks.

Examples of actions supported within specific objective 4.1 are:

- Developing and implementing strategies (including innovative financing and investment models) to link sustainable passenger transport in particular in peripheral areas to the TEN-T network as well as to the primary, secondary and tertiary transport nodes
- Developing and implementing coordinated strategies, tools and pilot applications to improve regional public transport systems in particular across borders (e.g. commuter connections, interoperability, etc.)
- Developing concepts and testing pilot applications for smart regional mobility (e.g. multimodal ticketing, ICT tools, routes on demand, etc.)
- Developing coordinated concepts, standards and tools for improved mobility services in the public interest (e.g. for disadvantaged groups, for shrinking regions, …)

Types of outputs

Within the supported actions different types of outputs can be obtained. Emphasis is put on policy learning and/or implementation-oriented approaches at transnational level. These can include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of investments, the implementation of pilot actions - including pilot investments - as well as capacity building also through training.

Main target groups and types of beneficiaries

A variety of actors in the field of regional passenger transport will be addressed as target groups. They include the public and the private sectors, such as institutions responsible for planning and managing regional transport networks, public transport operators, infrastructure providers and other local or regional transport actors. Target groups include all population groups which can benefit from improved regional passenger transport services (e.g. commuters, tourists, etc.).

Beneficiaries are all those bodies that can contribute to improved regional passenger transport. They comprise among others local, regional and national public authorities, regional development agencies, enterprises, public transport operators, infrastructure providers, regional associations, regional innovation agencies, NGOs, financing institutions, education and training centres as well as universities and research institutes.

Specific territories targeted

The supported actions can be implemented throughout the cooperation area. Emphasis will be put on peripheral areas showing weak links to TEN-T corridors and transport nodes, which can profit from the exchange with- and learn from- more advanced regions.

2.A.2.2.7b The guiding principles for the selection of operations (Article 7 (2) (b) (iii) ETC)

The selection of project proposals will be carried out following the guiding principles as outlined in the respective section 2.A.2.2.1b referring to investment priority 1b.

2.A.2.3.7b The planned use of financial instruments (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.4.7b The planned use of major projects (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.5.7b Output indicators (by investment priority) (Table 4) (Article 7 (2) (b) (iv) ETC Regulation)

Table 5.7b: Common and programme specific output indicators (by investment priority 7b)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
7b.1	Number of strategies and action plans in the field of regional passenger transport developed and/or implemented	Number	15	Project monitoring
7b.2	Number of tools and/or services for improved regional passenger transport developed and/or implemented	Number	10	Project monitoring
7b.3	Amount of investments /funds leveraged for improved regional passenger transport	Million €	35	Project monitoring
7b.4	Number of pilot actions for improved regional passenger transport implemented	Number	18	Project monitoring
7b.5	Number of trainings on regional passenger transport solutions	Number	12	Project monitoring
7b.6	Number of enterprises participating in crossborder, transnational or interregional research projects (common indicator No. 41)	Number	8	Application form
7b.7	Number of research institutions participating in crossborder, transnational or interregional research projects (common indicator No. 42)	Number	10	Application form

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Investment Priority (Article 87 (2) (b) (i)):7c

Calculation basis for the Union support (public or total): total

2.A.1.7c Specific objectives corresponding to the investment priority and expected results (Article 7 (2) (b) (i)-(ii) ETC Regulation)

SPECIFIC OBJECTIVE 4.2:

To improve coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions

The results, which the Member States seek to achieve with EU support

As the economic development of industrialised areas is closely linked to the multimodal exchange of goods, efficient freight transport is crucial. The central Europe area shows regional disparities in multimodal accessibility which constrains the competitiveness of several regions. Besides the need for optimisation of the individual modes of transport (more environmentally friendly, safe and energy efficient), their combination in multi-modal transport chains for a sustainable transport system is required. There is a lack of shared standards and procedures and, more generally, of a harmonised framework. Deficiencies in terms of coordination among freight transport stakeholders can be observed, which represents a barrier to more streamlined, flexible and sustainable multimodal freight transport.

In this context transnational cooperation aims to improve coordination among existing services, supplied by different modes of transport, creating intermodal systems of existing transport facilities, overcoming discontinuity across borders and the lack of infrastructure. Coordinated strategies, concepts and management tools will contribute to improving the multimodality of environment-friendly freight transport (e.g. railway, river or sea transport). Multi-modal platforms will be promoted and developed as a potential for consolidation and optimisation of freight flows. This will enhance the efficiency, reliability and quality of greener freight transport modes and services. Such a coordinated approach will pave the way for designing future infrastructure and a better and more effective transportation of goods to and across central European regions.

The main result envisaged can be summarised as: "Improved coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions in central Europe".

Table 3.7c.4.2: Programme specific result indicators (for specific objective 4.2) (Article 7 (2) (b) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4.2	Status of coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions	Qualitative scale	Situation description	2014	improved coordination	Survey	2018 and 2023

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2.A.2.7c Actions to be supported under the investment priority (by investment priority)

2.A.2.1.7c A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate(Article 7 (2) (b) (iii) ETC Regulation)

Actions to improve coordination among freight transport stakeholders for increasing multimodal environment-friendly freight solutions (specific objective 4.2)

The supported actions shall make use of transnational cooperation to improve coordination and collaboration between freight transport actors and shall enhance capacities in multimodal logistics management. This will be achieved through the development and implementation of coordinated strategies, concepts and tools for strengthening the multimodality and the environmental sustainability of freight transport also in relation to harmonising standards and procedures. Actions are further contributing to the improvement and testing of freight transport services and logistics planning, including pilot applications which are supposed to trigger investments in the field.

All the supported actions will clearly contribute to improving coordination among freight transport stakeholders thereby increasing multimodal environment-friendly freight solutions in central Europe.

Examples of actions supported within specific objective 4.2 are:

- Developing and implementing coordinated strategies (including innovative financing and investment models) for strengthening the multimodality of environmentally friendly freight transport systems (e.g. railway, river, or sea transport)
- Developing and implementing coordination and collaboration mechanisms between multimodal freight transport actors
- Developing and implementing coordinated concepts, management tools and services aimed at increasing the share of environmentally friendly logistics through optimised freight transport chains (e.g. multimodal transnational freight transport flows)
- Developing and testing coordinated strategies and concepts for “greening” the last mile of freight transport (e.g. logistics planning)

Types of outputs

Within the supported actions different types of outputs can be obtained. Emphasis is put on policy learning and/or implementation-oriented approaches at transnational level. These can include the development and implementation of strategies and action plans, the development, testing and implementation of tools, the preparation of investments, the implementation of pilot actions - including pilot investments - as well as capacity building also through training.

Main target groups and types of beneficiaries

A variety of key actors in the field of freight transport will be addressed as target groups. They include both the public and the private sectors, such as providers and operators of freight transport and logistics services (e.g. railway enterprises, shipping companies, ports, terminal operators, logistic service providers/logistic centres and platforms), commercial customers of freight transport systems, institutions planning and managing freight transport, infrastructure providers and other local or regional freight transport actors. Target groups include all population groups which are affected by the issue.

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Beneficiaries are all those bodies that can contribute to improving freight transport. They comprise among others local, regional and national public authorities, regional development agencies, enterprises, operators of multimodal logistics hubs, infrastructure providers, transport associations, regional innovation agencies, NGOs, financing institutions, education and training centres as well as universities and research institutes.

Specific territories targeted

The supported actions can be implemented throughout the cooperation area. Emphasis will be put on areas showing deficiencies in terms of multimodal accessibility for freight transport, which can profit from the exchange with- and learn from- more advanced regions.

2.A.2.2.7c The guiding principles for the selection of operations (Article 7 (2) (b) (iii) ETC)

The selection of project proposals will be carried out following the guiding principles as outlined in the respective section 2.A.2.2.1b referring to investment priority 1b.

2.A.2.3.7c The planned use of financial instruments (Article 7 (2) (b) (iii) ETC Regulation)

Not applicable

2.A.2.4.7c The planned use of major projects (Article 7 (2) (be) (iiie) ETC Regulation)

Not applicable

2.A.2.5.7c Output indicators (by investment priority) (Table 4) (Article 7 (2) (b) (iv) ETC Regulation)

Table 5.7c: Common and programme specific output indicators (by investment priority 7c)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
7c.1	Number of strategies and action plans for multimodal environmentally friendly freight transport developed and/or implemented	Number	10	Project monitoring
7c.2	Number of tools and services for environmentally friendly freight transport and/or logistics developed and/or implemented	Number	7	Project monitoring
7c.3	Amount of investments /funds leveraged for multimodal environmentally friendly freight transport solutions	Million €	30	Project monitoring
7c.4	Number of pilot actions for multimodal environmentally friendly freight transport solutions	Number	12	Project monitoring
7c.5	Number of trainings on multimodal environmentally friendly freight transport solutions	Number	8	Project monitoring

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data
7c.6	Number of enterprises participating in crossborder, transnational or interregional research projects (common indicator No. 41)	Number	5	Application form
7c.7	Number of research institutions participating in crossborder, transnational or interregional research projects(common indicator No. 41)	Number	6	Application form

2.A.3.P4 Performance framework (Article 7 (2) (b) (v) ETC Regulation))

An identification of implementation steps and financial and output indicators and, where appropriate, results indicators, to act as milestones and targets for the performance framework in accordance with Article 19(1) CPR and Annex (xx)

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Table 5.P4: The performance framework of priority axis 4

Priority axis	Indicator type	ID	Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
4	Output indicator	P4.1	Number of strategies, action plans, tools and pilot actions in the field of regional passenger transport developed and/or implemented	Number	N/A	43	Project monitoring	Sum of the IP 7b) output indicators 1,2 and 4
4	Output indicator	P4.2	Number of strategies, action plans, tools and pilot actions for multimodal environmentally friendly freight transport developed and/or implemented	Number	N/A	29	Project monitoring	Sum of the IP 7c) output indicators 1,2 and 4
4	Financial indicator	P4.3	ERDF certified to EC for Priority axis 4	Euro	(Values)	(Values)	Project monitoring	
4	Key implementation step	P4.4	Number of approved projects in Priority axis 4	Number	7	10	MC decisions	

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Additional qualitative information on the performance framework

Additional qualitative information on the set-up of the performance framework may be added if needed

The performance framework has been set up following the methodology as outlined in the respective section 2.A.3.P1 referring to priority 1.

2.A.4.P4 Categories of intervention (by priority axis) - Article 7 (2) (b) (vii) ETC Regulation

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support (Tables 6-10)

Tables 6-10.P4: Categories of intervention

Table 6: Dimension 1 Intervention field		
Priority Axis	Code	€ amount

Table 7: Dimension 2 Form of finance		
Priority Axis	Code	€ amount

Table 8: Dimension 3 Territory		
Priority Axis	Code	€ amount

Table 9: Dimension 6 Territorial delivery mechanisms		
Priority Axis	Code	€ amount

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Table 10: Dimension 12 Thematic objective		
Priority Axis	Code	€ amount

2.A.5.P4 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 for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) (by priority axis) (Article 7 (2) (b) (vi) ETC Regulation)

Not applicable

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SECTION 2.B. A description of the priority axis for technical assistance (Article 7 2 (c) ETC Regulation)

PRIORITY AXIS 5:

Technical Assistance

Fund: ERDF

Calculation basis for the Union support (public or total): total

2.B.1. Specific objectives and expected results (Article 7 (2) (c) (i)-(ii) ETC Regulation

SPECIFIC OBJECTIVE 5.1:

To effectively implement the Operational Programme

The results, which the Member States seek to achieve with EU support

A sound management of the Operational Programme is the pre-condition for its effective implementation. The result expected within this specific objective is thus directly linked to the need of ensuring the adequate management and control environment of the programme, as described in Section 5.1, ensuring that all programme implementation steps (including the launch of calls, contracting, monitoring of projects and programme achievements, reimbursement of expenditure, etc.) are timely executed.

The evaluation of the CENTRAL EUROPE 2007-2013 Programme observed that administrative burden could be reduced. As the CENTRAL EUROPE 2020 Programme directly succeeds the CENTRAL EUROPE 2007-2013 Programme, a wide range of experiences and lessons learnt are available to simplify procedures and streamline implementation. Accordingly, the change driven by the programme within this specific objective mainly refers to further improving and smoothening administrative procedures, resulting in a faster and more efficient programme implementation while ensuring a proper verification of project outputs and results under the quantitative and qualitative point of view.

Special attention is put on the timing for reimbursing funds with the following main result expected: "smooth implementation of the programme".

Further information on the programme management and control system is provided in Section 5.1, while information concerning the reduction of administrative burden for beneficiaries is provided in Section 7.

SPECIFIC OBJECTIVE 5.2:

To support project applicants and beneficiaries and to strengthen the involvement of relevant partners in the programme implementation

The results, which the Member States seek to achieve with EU support

Besides a sound programme management, the capacity of applicants and beneficiaries to participate in the programme as well as the direct involvement of relevant "partners" (i.e. competent regional and local bodies representing public institutions at all relevant levels, socio-economic bodies and the civil society), are key factors for an effective programme implementation.

With regard to the capacity of applicants and beneficiaries to participate in the Programme, the CENTRAL EUROPE Programme already set in place several measures for capacity building in the 2007-2013 period:

- Training on preparation of applications as well as project management;
- One-to-one consultations carried out by the JS and the network of CPs;
- On-going 'help-desk'-like support and advice on project implementation by the JS and the network of CPs.

With regard to the involvement of relevant "partners" in the programme implementation, the independent Programme evaluation confirmed that the CENTRAL EUROPE 2007-2013 Programme was already effective in involving a wide range of these. However, the independent evaluators also concluded that the long-term sustainability of project results could still be improved by further strengthening this involvement.

In the framework of this specific objective the programme will address the need to further build capacity of applicants and beneficiaries to participate in projects and to take up results (e.g. into long-term policies and strategies and/or in investments). Moreover, the need to improve the advisory role of relevant "partners" in the programme implementation (e.g. in the preparation of targeted calls for proposals) will be addressed within Specific Objective 5.2.

Accordingly, two main results are envisaged:

- An increased capacity of applicants and beneficiaries to participate;
- A strengthened involvement of relevant "partners" in the implementation.

2.B.2. The list of result indicators

Table 11.1: Programme-specific result indicators (for specific objective 5.1) (Article 7 (2) (c) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	xxxx						

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Table 11.2: Programme-specific result indicators (for specific objective 5.2) (Article 7 (2) (c) (ii) ETC Regulation)

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
5.2	Status of capacities of applicants and beneficiaries to participate in the Programme	Qualitative scale	Situation description	2014	Improved capacities	Survey	2018 and 2023

2.B.3. Actions to be supported and their expected contribution to the specific objectives (by priority axis) (Article 7 (2) (c) (iii) ETC Regulation)

2.B.3.1 A description of actions to be supported and their expected contribution to the specific objectives (Article 7 (2) (c) (iii) ETC Regulation)

Actions to effectively implement the Operational Programme (specific objective 5.1)

In line with Article 52 CPR, actions within specific objective 5.1 target the preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit tasks of the programme. Moreover, actions referring to this specific objective have to address the reduction of administrative burden for beneficiaries.

Indicative actions supported under specific objective 5.1 are listed below and they refer to principles and tasks described in Sections 5.1 and 7:

- Setting up and managing of a Joint Secretariat supporting the Managing Authority and assisting the Monitoring Committee in the implementation and day-to-day management of the programme;
- Preparing and implementing calls for proposals, including the development of guidance documents setting out the conditions for the support of projects;
- Setting-up and implementing procedures for the quality assessment, monitoring and control of projects implemented under the Operational Programme, also making use of experts when necessary, and contributing to the reduction of administrative burden for beneficiaries;
- Collecting data concerning the progress of the programme in achieving its objectives, as well as financial data and data relating to indicators and milestones, and reporting to the Monitoring Committee and the European Commission;
- Drafting and implementing the programme communication strategy, including the setting up and implementation of information and communication measures and tools in line with Article 105 CPR;
- Drafting and implementing the programme evaluation plan and follow-up of findings of independent programme evaluations;
- Setting-up, running and maintenance of a computerised system to record and store data on each project necessary for monitoring, evaluation, financial management, verification and audit - including data on individual participants in projects where applicable - in compliance with the applicable electronic data exchange requirements14 and contributing to the reduction of administrative burden for beneficiaries;

[14] As provided for in Article 112(3) CPR and in related implementing acts.

- Setting-up a network of national financial controllers, coordinated by the Joint Secretariat, with the purpose of exchanging information and best practices at transnational level;
- Setting up and execution of audits on the programme management and control system and on operations.

Actions to support project applicants and beneficiaries and to strengthen the involvement of relevant partners in the programme implementation (specific objective 5.1)

In line with Article 52 CPR, actions within the specific objective 5.2 target the reinforcement of the capacity of applicants and beneficiaries to apply for - and use - the funds, as well as the involvement of relevant partners including the exchange of good practices among partners.

Indicative actions supported within specific objective 5.2 are listed below and they refer to principles and tasks described in Section 5:

- Drafting of information documents for applicants and beneficiaries to guide them in the preparation of project proposals and the implementation, evaluation, control and communication of approved projects;
- Organising consultation, information, training and exchange events to strengthen the capacity of applicants to develop project proposals directly contributing to the programme specific objectives and expected results;
- Organising trainings on specific implementation issues such as project and financial management, reporting, control, audit, communication and networking to strengthen the capacity of beneficiaries to implement approved projects;
- Developing information and exchange tools (e.g. analytical documents, bilateral meetings, targeted events, etc.) and organisation of transnational and national events to strengthen the involvement of relevant partners in the implementation of the programme - with a special attention to authorities involved in the development or implementation of macro-regional strategies, joint legal bodies operating in the area (as EGTCs) and umbrella organisations at EU/transnational level;
- Setting-up and management of a network of national Contact Points, supporting the Joint Secretariat in implementing at national level tasks related to the implementation of the programme.
- Executing studies, reports and surveys on strategic matters concerning the programme that can contribute to the sustainability and take up of results and achievements into policies, strategies, investments or that are of public interest, also making use of experts when necessary.

Technical Assistance actions shall be implemented by all authorities involved in the management of the Programme, listed in Section 5.1.

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2.B.3.2 Output indicators expected to contribute to results (by priority axis) (Table 12) (Article 7(2) (c) (iv) ETC Regulation)

Table 12: Output indicators (by priority axis 5)

ID	Indicator (name of indicator)	Measurement unit	Target value (2023) (optional)	Source of data
P5.1	Established Joint Secretariat	No.	1	Observation
P5.2	Calls for proposals successfully launched and closed	No.	--	Observation
P5.3	Projects approved following calls for proposals	No.	100	Programme e-Monitoring System
P5.4	Periodic project progress reports monitored and paid	No.	600	Programme e-Monitoring System
P5.5	Programme Annual Implementation Reports approved by the MC and submitted to the EC	No.	7	Observation
P5.6	Programme communication strategy prepared and approved by the MC	No.	1	Observation
P5.7	Information and communication measures and tools developed	No.	--	Observation
P5.8	Programme evaluation plan prepared and approved by the MC	No.	1	Observation
P5.9	Independent programme evaluations (ex-ante and during programme implementation)	No.	2	Observation
P5.10	Programme e-Monitoring System developed and implemented	No.	1	Observation
P5.11	Network of national controllers established	No.	1	Observation
P5.12	Audits on programme management and control system and on operations	No.	--	Programme e-Monitoring System
P5.13	Information documents addressed to applicants and beneficiaries	No.	--	Observation
P5.14	Consultation, information, training and exchanges workshops for applicants	No.	--	Observation
P5.15	Training and exchange workshops for beneficiaries organised	No.	--	Observation
P5.16	Territorial and/or thematic information and exchange tools	No.	--	Observation

DRAFT

ID	Indicator (name of indicator)	Measurement unit	Target value (2023) (optional)	Source of data
P5.17	Transnational and national events for partner involvement and exchanges organised	No.	--	Observation
P5.18	Established national Contact Points	No.	9	Observation
P5.19	Studies, reports and surveys on strategic matters concerning the programme	No.	--	Observation

2.B.4 Categories of intervention (Article 7 (2) (c) (v) ETC Regulation)

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

Tables 13-15: Categories of intervention

Table 13: Dimension 1 Intervention field		
Priority Axis	Code	€ amount

Table 14: Dimension 2 Form of finance		
Priority Axis	Code	€ amount

Table 15: Dimension 3 Territory		
Priority Axis	Code	€ amount

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SECTION 3 The financing plan of the cooperation programme (ARTICLE 7 (2) (D) ETC Regulation

3.1 A table specifying for each year, in accordance with Articles 53, 110 and 111 of the CPR, the amount of the total financial appropriation envisaged for the support from the ERDF (EUR) (Article 7 2 (d) (i) ETC Regulation)

Table 16

Fund	2014	2015	2016	2017	2018	2019	2020	Total
ERDF								
IPA amounts *(where applicable)*								
ENI amounts *(where applicable)*								
Total								

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Table 17

	Fund	Basis for the calculation of the 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)	For information	
					National Public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
Priority axis 1	ERDF (possibly incl. amounts transferred from IPA and ENI)									
	IPA									
	ENI									
Priority axis 2	ERDF (possibly incl. amounts transferred from IPA and ENI)									
	IPA									
	ENI									
Priority axis 3	ERDF (possibly incl. amounts transferred from IPA and ENI)									
	IPA									
	ENI									
Priority axis 4	ERDF (possibly incl. amounts transferred from IPA and ENI)									
	IPA									
	ENI									
Priority axis 5	ERDF (possibly incl. amounts transferred from IPA and ENI)									
	IPA									
	ENI									

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	Fund	Basis for the calculation of the 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)	For information	
					National Public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
Total	ERDF									
	IPA									
	ENI									
Total	Total all Funds									

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

3.2. Breakdown of the financial plan of the cooperation programme by priority axis, and thematic objective (Table 19) Article 7 (2) (d) (ii) ETC Regulation

Table 18

Priority axis	Thematic objective	Union support	National counterpart	Total funding
Priority axis N	Thematic objective 1			
	Thematic objective 2			
TOTAL				

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Table 19: The indicative amount of support to be used for climate change objectives (Article 24 (5) CPR).

Priority axis	The indicative amount of support to be used for climate change objectives (EUR)	Share of the total allocation to the cooperation programme (%)
1.		
2.		
3.		
4.		
Total		

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SECTION 4. Integrated approach to territorial development (Article 7(3) ETC Regulation)

A description, taking into account the content and objectives of the cooperation programme, of the integrated approach to territorial development, including in respect of 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 programme strategy addresses territorial challenges shared across the regions of the cooperation area and leverages their development potentials. It thus promotes smart, sustainable and inclusive growth through an integrated approach that combines thematic and territorial dimensions.

Building on an in-depth knowledge of territorial features of all participating regions (Section 1.1 and Annex xx) the programme strategy reflects only those transnationally shared challenges, needs and potentials that can be effectively tackled through cooperation. The consistency and complementarity of the strategy with national Partnership Agreements (PAs) of participating Member States has been verified, aiming for the coordination with the programmes of the "Investment for Growth and Jobs" goal.

The programme strategy combines thematic and territorial dimensions in the design of the four programme priority axes, as summarised below:

Priority 1 (TO 1) The area has an uneven distribution of economic strength, with R&D investments concentrated on few growth poles and peripheral areas with low competitiveness and brain drain. SMEs, as crucial growth factor, need technology transfer and innovation support. The programme priority tackles these issues by strengthening linkages among innovation actors and by improving skills supporting economic and social innovation. All national PAs recognise this TO as highly relevant, many of them giving emphasis to the role of ETC in this thematic field.

Priority 2 (TO 4) The area is strongly depending on fossil fuels and energy imports, with low exploitation of renewable energy potentials and inefficient energy use, especially in housing and public infrastructure sector including transport. Competences already available in some regions need to be further strengthened and transferred. The programme priority tackles these issues by improving capacities for energy efficiency and renewable energy usage, energy planning and low carbon mobility in functional urban areas. Most national PAs recognise this TO as relevant, with some specific provisions on the role of ETC in this field.

Priority 3 (TO 6) Natural and cultural heritage of the area is subject to the risk of deterioration, with fragmentation of habitats, biodiversity loss, pollution and unsustainable usage of resources. Land use conflicts, decline of urban environment and urban sprawl are also observed. The programme priority tackles these issues by improving capacities for sustainable use of natural and cultural heritage as well as sustainable urban environmental management. All national PAs recognise this TO as relevant, both in terms of natural and cultural heritage protection as well as urban environment improvement, with some specific provisions on the role of ETC in this field.

Priority 4 (TO 7) The area is characterised by core regions being highly accessible and peripheral regions with low connections. Disparities in the quality of public transport services, with environmental and social negative impacts, can be observed. The

programme priority tackles these issues by improving coordination of passenger transport systems better connecting them to national and European transport networks and coordinating freight transport stakeholders. Most national PAs recognise this TO as relevant, especially with regard to the improvement of linkages to TEN-T, with some specific provisions on the role of ETC in this field.

4.1. Where appropriate, for cross-border cooperation programmes, the approach to the use of community-led local development instruments and the principles for identifying the areas where it will be implemented

Not applicable

4.2. Where appropriate, the 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, Article 7 (3) (b) ETC Regulation

Not applicable

Table 20: The indicative amount of the ERDF support for sustainable urban integrated actions

Fund	Indicative amount of the ERDF support for sustainable urban integrated actions (EUR)support for integrated actions	
ERDF		

4.3. Where appropriate, the approach to the use of Integrated Territorial Investment (ITI) (as defined in Article [99] of the Common Provisions Regulation) other than in cases covered by 4.2 and their indicative financial allocation from each priority axis

Not applicable

Table 21: An indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)

Priority	Indicative financial allocation (Union support) (EUR)
Priority axis 1	
Priority axis 2	
TOTAL	

4.4 Where Member States and regions participate in macro-regional and sea basin strategies, the contribution of planned interventions towards such 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 the respective strategies.

4.4.1. The contribution of the cooperation programme to the planned interventions under the macro-regional and sea basin strategies, taking into account, where applicable, strategically important projects identified in the respective strategies

As presented in Section 1, the CENTRAL EUROPE Programme shares large parts of its cooperation area with the two adopted EU Macro-Regional Strategies (MRS), i.e. the Danube and Baltic Sea strategies. Moreover, the CENTRAL EUROPE Programme touches other potential MRS under discussion, in particular the Adriatic-Ionian Strategy that is the most advanced in its definition. Due to its geographical coverage, the CENTRAL EUROPE Programme can potentially play a key role in establishing and strengthening links as well as in activating synergies between MRS, therefore actively contributing to territorial cohesion beyond the macro-regional level. This has been well demonstrated in the 2007-2013 period, where CENTRAL EUROPE projects showed to be able to contribute to the implementation of one or more MRS, at the same time triggering synergies between them.

The design of the programme strategy has taken into account the objectives and the thematic focus of two existing (Baltic Sea and Danube) and one planned (Adriatic-Ionian) MRS, identifying those common macro-regional challenges and needs that could be addressed through transnational cooperation in central Europe. This will allow developing projects that, in the framework of the CENTRAL EUROPE Programme, will contribute to the implementation of MRSs adopting an approach that goes beyond the borders of a single strategy.

A summary of the key challenges and needs that could be addressed through transnational cooperation is presented below with reference to the three MRS considered, while a detailed overview on common fields of action and possible synergies between the CENTRAL EUROPE 2020 Programme and the two MRS for which action plans are available at the time of writing the OP (Baltic Sea and Danube) is presented in the synoptic tables provided as Annex xx. The analysis presented here and in the respective annex has been performed also considering inputs collected from priority area coordinators that contributed to the partner consultations on the OP (as described in Section 5.2).

EU Strategy for the Baltic Sea Region

The Baltic Sea Region MRS builds upon 17 priority areas and 5 horizontal actions within the three strategy objectives “Save the Sea”, “Connect the Region” and “Increase Prosperity”.

Challenges affecting the Baltic Sea Region MRS that could be addressed within the CENTRAL EUROPE Programme refer to mobility, multimodality and sustainable transport, especially with regard to the need to mitigate disparities between core and peripheral, less connected regions through sustainable solutions. The CENTRAL EUROPE Programme would bring specific added value in this regard by activating synergies with the central and southern part of Europe along the Baltic-Adriatic corridor. Additionally, environmental, economic and social challenges and needs addressed by the MRS would find further opportunities in the framework of the CENTRAL EUROPE 2020 Programme.

It is noteworthy that the strategy of the transnational Baltic Sea Region Programme 2014-2020 includes the same thematic objectives 1 “Innovation”, 6 “Environment” and 7 “Transport” as the

CENTRAL EUROPE Programme. This allows for coordination of projects working within the same thematic field, further supporting the cooperation between Baltic, central and southern European stakeholders.

EU Strategy for the Danube Region

The Danube Region MRS builds upon 11 priority areas linked to the four pillars "Connecting the Danube Region", "Protecting the Environment in the Danube Region", "Building Prosperity in the Danube Region" and "Strengthening the Danube Region".

Challenges affecting the Danube Region MRS that could be addressed within the CENTRAL EUROPE Programme refer to environment protection and sustainable use, especially with regard to the need to mitigate pressures and usage conflicts affecting natural heritage (e.g. from industry, intensive agriculture, climate change, transport, urbanisation and suburbanisation, tourism). Challenges and needs referring to economic and social development, energy efficiency and renewable energy usage as well as transport along the east-west axis would possibly find further adequate answers in the framework of the CENTRAL EUROPE 2020 Programme.

As with the transnational Baltic Sea Programme, also with the transnational Danube Programme possible synergies and co-ordination initiatives could be realised in the framework of thematic objectives 1 "Innovation", 6 "Environment" and 7 "Transport".

EU Strategy for the Adriatic and Ionian Region

The Adriatic and Ionian Region MRS builds upon the four pillars "Driving innovative maritime and marine growth" "Connecting the Region", "Preserving, protecting and improving the quality of the environment" and "Increasing regional attractiveness".

As for the other two, this MRS also addresses challenges that will be tackled with the CENTRAL EUROPE 2020 Programme, mainly related to transport and connectivity, facing the need to mitigate disparities between core and peripheral, less connected regions through sustainable solutions, and, at the same time, strengthening links with central, northern and eastern Europe. Moreover, challenges affecting the region in the field of innovation and competitiveness of enterprises, natural and cultural heritage could be properly addressed in the framework of the CENTRAL EUROPE 2020 Programme, making exchanges and synergies between Adriatic-Ionian, central and northern European stakeholders possible.

Synergies and co-ordination initiatives with the transnational Adriatic-Ionian Programme are envisaged within the four thematic objectives that provide the basis for the strategy of the CENTRAL EUROPE 2020 Programme.

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SECTION 5: Implementing provisions for the cooperation programme (Article 7 (4) ETC Regulation)

5.1 Identification of the relevant authorities and bodies (Article 7 (4) ETC Regulation)

Table 22: Identification of and contact details for the relevant authorities and bodies

Authority/body	Name of the authority/body	Head of the authority/body
Managing Authority	City of Vienna, Municipal Department for European Affairs (MA27)	(xxx)
Certifying Authority, where applicable	---	---
Audit Authority	(xxx)	(xxx)

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

☒ the managing authority

☐ the certifying authority

Authority/body	Name of the authority/body	Head of the authority/body
Body or bodies designated to carry out control tasks	**(xxx)**	(xxx)
Body or bodies designated to be responsible for carrying out audit tasks	(xxx)	(xxx)

5.1.1 Procedure for setting up the joint secretariat

In accordance with Article 22 (2) of the ETC Regulation, the Managing Authority (MA), after consultation with participating Member States, will set up the Joint Secretariat (JS) that supports and assists the Managing Authority and the Monitoring Committee (MC) in carrying out their respective functions.

In continuation of the successful implementation of the CENTRAL EUROPE 2007-2013 Programme, the JS will remain in Vienna maintaining the same basic structural and implementation arrangements within the EU-Förderagentur GmbH, a subsidiary body of the City of Vienna.

5.1.2 A summary description of the management and control arrangements

The following section describes the implementation structure of the CENTRAL EUROPE 2020 Programme. More detailed provisions will be included in the Description of the Management and Control System (DMCS) and in the programme guidance documents for implementation (Application

and Implementation Manuals, Control & Audit Guidelines) which will form integral part of the DMCS. Guidance documents shall be adopted by the Monitoring Committee.

The programme language is English.

Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Slovak Republic and Slovenia, which are the participating Member States in the CENTRAL EUROPE 2020 Programme, established a shared management system to manage, coordinate and supervise the implementation of the programme.

5.1.2.a Monitoring Committee

In accordance with Article 41 CPR, the Member States participating in the programme, in agreement with the Managing Authority, will set up a joint Monitoring Committee (MC) within three months from the date of the notification of the Commission's decision approving the Operational Programme.

The MC will draw up its own rules of procedure within the institutional, legal and financial framework of the Member States concerned and adopt them in agreement with the Managing Authority in order to exercise its duties in accordance with the CPR and the ETC Regulation. The rules of procedures will contain a detailed description of the composition, the functioning and tasks as well as the decision-making processes of the MC.

Members of the MC will represent the participating Member States on policy and administrative level and thus ensure a transparent approach.

Composition of the Monitoring Committee

In line with Article 42 CPR, the Monitoring Committee will be chaired by a representative of a Member State. The chair of the MC will rotate every year and will be supported by the MA as co-chair to ensure continuity.

The composition of the MC will be as follows:

- Up to three representatives from each of the Member States are members of the MC whereby the partnership principle laid down in Article 5 CPR will be ensured by the Member State representatives through the prior involvement of relevant partners in national coordination committees in preparation of the MC meetings. Due to the aims of the programme, each Member State should be represented by a representative of the national level and by at least one representative of the regions;
- A representative of the Commission shall participate in the work of the MC in an advisory capacity;
- Representatives of the MA and Audit Authority (AA) shall participate in an advisory capacity;
- The JS shall assist in the meetings;
- The network of contact points may participate in the MC meetings with an observer status;
- Transnational economic and social partners and transnationally organised non-governmental organisations may participate in an advisory capacity as specified in the rules of procedure.

Decisions by the MC shall be taken by consensus whereby each Member State shall have one vote. Voting principles will be laid out in the rules of procedure.

The MC shall meet at least once a year. Decisions may also be taken through written procedure.

Functions of the Monitoring Committee

It will be the task of the Monitoring Committee 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 43 and Article 100 CPR. The main functions are listed in Annex xx.

5.1.2.b Responsibilities of Member States

National authorities of the participating countries will retain responsibility for the CENTRAL EUROPE Programme. All Member States agree to apply the partnership principle as laid down in Article 5 CPR and to cooperate to find optimal solutions for the benefit of the whole cooperation area.

The list of responsible authorities in the participating countries is provided in Annex xx.

According to Articles 63, 112 and 113 CPR, Member States are responsible for the management and control of the programme. The main responsibilities of the Member States in line with the mentioned articles are listed in Annex xx.

According to Article 113 (8) CPR, Member States shall lay down in writing rules governing their relations with the MA and AA, the relations between such authorities, and the relations of such authorities with the European Commission. For this purpose, Member States participating in the programme will sign an agreement with the MA and the AA for the implementation of the programme.

The Member States will ensure that the implementing authorities will be provided with all necessary and legally allowed information to carry out their responsibilities.

5.1.2.c Managing Authority with additional functions of Certifying Authority

As mentioned in chapter 5.1 (Table xx), the City of Vienna is the Managing Authority of the programme which, in addition to its functions, will also carry out the functions of the Certifying Authority (CA) in accordance with Article 115 CPR. This will be favourable for the beneficiaries as the process for the reimbursement will be shorter than in the 2007-2013 programming period. The main responsibilities of the MA in its function of Certifying Authority are listed in Annex xx. The operative tasks listed in the said Annex or part of them can be contracted out, while the MA assumes full responsibility towards the European Commission.

In line with Article 114 CPR and Article 22 ETC Regulation, the MA, assisted by the JS, is responsible for management and implementation of the CENTRAL EUROPE 2020 Programme. The main functions of the MA are listed in Annex xx.

The MA, after consultation with the Member States responsible for the programme, will set up the Joint Secretariat as provided for in chapter 5.1.2.

5.1.2.d Audit Authority

(xxx)

5.1.2.e Joint Secretariat

Pursuant to Article 22 (2) ETC regulation, and as provided for in chapter 5.1.2, a Joint Secretariat based in Vienna will be set up by the Managing Authority.

The JS will assist the MA and the MC in carrying out their respective functions.

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The JS undertakes the day-to-day implementation of the programme. The functions of the JS are listed in Annex xx.

The annual work plans and reports of the JS have to be approved by the MC. The setting in place and functioning of the Joint Secretariat, including its activities, shall be funded from the Technical Assistance budget in line with MA/JS work plans and reports to be approved by the MC annually.

5.1.2.f Network of Contact Points

Member States will set up and manage the network of Contact Points (CPs) representing the Programme on national, regional and local level. The network of CPs is closely coordinated by the MA and the JS on the basis of annual work plans and plays a crucial role as the interface between national and transnational bodies.

The network of CPs provides (call-specific) information to potential applicants, advises and assists beneficiaries participating in approved projects, informs stakeholders on achievements of the programme and supports the national and transnational programme management.

Within 12 months from the adoption of the Operational Programme, national authorities responsible for implementing the CPs shall submit national adaptations of the programme communication strategy in order to ensure coordination.

The set-up and activities of CPs shall be funded from the Technical Assistance budget in line with annual CP work plans and reports to be approved by the MC.

5.1.2.g Project Types

The requirement of the ETC objective to clearly and visibly contribute to a smart, sustainable and inclusive growth of European regions calls for a strengthened orientation of cooperation programmes towards the delivery of concrete and measurable results in response to challenges and needs shared by regions belonging to the concerned cooperation area.

Ad-hoc support and guidance to applicants on project types will be given through call-specific information documents as well as events and trainings carried out by the MA and JS in cooperation with the network of CPs.

5.1.2.h Project Cycle

Project Application

The CENTRAL EUROPE 2020 Programme aims for project generation and selection procedures that are both pro-active and transparent. This section contains basic information regarding the procedures and arrangements for the generation and selection of projects.

Further information about the application and selection process will be available to potential applicants in a separate document (call-specific Application Manuals).

The MA, with the support of the JS, launches official calls for proposals via relevant information channels such as the programme transnational website as well as national channels (with the support of the CPs). Calls for proposals might have different characteristic i.e. might be open to all programme priorities or thematically targeted in response to changed framework conditions in the area and/or taking into consideration the progress of the programme implementation (also as follow-up of the programme independent evaluation).

According to the specific characteristics of each call for proposals, ad-hoc application procedures and templates will be developed and will be part of the call-specific information and application package. It will be widely circulated and available from the programme and national websites. The information and application package will include the necessary guidance to assist project partnerships in the preparation of their application.

Applications will be submitted to the MA/JS by the project Lead Partner.

Project Assessment and Selection

Geographical Eligibility of Partners

As a basic principle, the CENTRAL EUROPE 2020 Programme will mainly support cooperation activities between Lead Partners and Project Partners located in one of the eligible areas of the Member States (territory or parts of the territory of the nine CENTRAL EUROPE EU-Member States Austria, Croatia, the Czech Republic, Germany, Hungary, Italy, Poland, Slovakia and Slovenia).

An exception to the rule with regard to the location of partners is the case of those national public authorities/bodies which are competent in their scope of action for certain parts of the eligible area but which are located outside of it (e.g. ministries). German and Italian institutions falling under this definition are to all effects assimilated, both in terms of rights and obligations, to partners located in the CENTRAL EUROPE 2020 Programme area.

In addition to the above, and in duly justified cases, the ERDF may finance the implementation of part of an operation that is implemented outside the Union part of the programme area provided that the conditions set under Article 19 (2) ETC Regulation are satisfied.

Definition of Partners in Projects

In the CENTRAL EUROPE 2020 Programme partners in projects shall be the following:

a) National, regional and local public bodies (including EGTCs);

b) Private institutions including private companies having legal personality;

c) International organisations acting under the national law of any CENTRAL EUROPE Member State or, with restrictions, under international law .

Further details concerning participation in the projects will be defined by the MC in agreement with the MA and will be laid down in the call-specific Application Manuals.

Entities may also be subcontracted by Lead Partners or project partners to carry out parts of their activities in a project; in this case, the applicable public procurement rules have to be observed. In case of subcontracting, the responsibility for implementation of the respective project will remain with the contracting entity, i.e. the respective Lead Partner or project partner.

Any public support under this programme must comply with the state aid rules applicable at the point of time when the public support is granted.

Eligibility Criteria

A set of eligibility criteria will be defined to ensure the accomplishment of formal requirements of submitted project applications. The set of eligibility criteria will especially include the following:

- Submission of the application in due time;
- Completeness of the submitted application documents;
- Transnationality of project partnership (at least three financing partners from three countries at least two of them located in EU CENTRAL EUROPE regions);
- No funding by other EU financial sources.

Selection Criteria

Selection criteria are meant to relate to the quality of a project application and will be applied to those projects that have passed the eligibility check. Selection criteria are designed to assess the compliance of applications with with regard to strategic and operational aspects as laid down in section 2 under the heading "Guiding principles for the selection of operations".

The JS, assisted by external independent experts, undertakes the quality assessment of applications and submits the assessment to the MC for its decision. Modalities for the procedures and detailed eligibility and selection criteria for projects funded by the CENTRAL EUROPE 2020 Programme will be outlined in the call-specific Application Manual).

Quality of Projects

General horizontal quality requirements have to be followed which are reflected in the above mentioned selection criteria. The strong result-oriented approach to be applied by all programmes supported by the European Structural and Investment Funds for the 2014-2020 period calls for projects able to deliver concrete and visible outputs and results, in response to well identified challenges affecting the programme area and addressing development needs in an integrated manner. Projects focussing on purely academic cooperation or basic research or aiming at mere networking and exchanging of experience and/or not demonstrating the translation of outputs arising from "soft" actions (surveys, studies, networks, etc.) into concrete and sustainable results will not be supported by the CENTRAL EUROPE 2020 Programme.

All projects receiving funds have typically to meet the following horizontal quality requirements:

- Transnational relevance: the project contributes to the chosen programme specific objective and addresses development needs and territorial challenges that are shared across the regions participating in the project and cannot be sufficiently addressed by individual regions or countries alone. Moreover, joint solutions developed by the project partners show a clear transnational added value going well beyond the mere addition of results independently achievable in each involved region.
- Partnership relevance: the partnership involves at least three financing partners from at least three countries, at least two of them located in the CENTRAL EUROPE regions. Partners are relevant bodies actually competent for the development, implementation and follow-up of outputs and results. The partnership should reflect the territorially integrated approach applied to the thematic focus characterising the project. All partners are involved in a way that clearly demonstrates the joint implementation of the project.
- Concrete and measurable results: projects are functional to the delivery of results directly contributing to the results expected at programme level for the concerned priority axis. Results are achieved through the development of suitable outputs within a transnational context. Results must be relevant, visible and measurable, with a clear implementation orientation. Projects are required to provide precise descriptions of main project outputs and results in the project application. In defining their outputs and results, projects must build on previous and current experiences and knowledge, however developing novel solutions and avoiding overlaps.
- Durable outputs and results: projects have to ensure that produced outputs and achieved results are durable and suitable to be continued into other initiatives (e.g. policies, strategies, plans) and/or preparing investments to be financed with other sources (e.g. EIB and other financial institutions, EU mainstreaming programmes, national and regional funds) also beyond the regions involved by the project. In this context, the programme especially – but not exclusively – welcomes the participation of actors involved in the implementation of Macro-Regional Strategies as well as in programmes within the Investments for Growth and Jobs objective.

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- Coherent approach: the approach proposed in defining the work plan is overall coherent and transparent, showing a clear relation between inputs, outputs and results within a convincing timeframe.
- Sound project communication strategy and tools: communication activities are to be in line with project objectives and appropriate to reach the relevant target groups and stakeholders with regard to communication of project results and their capitalisation.
- Effective management: the project has clear, effective, efficient and transparent management and coordination structures and procedures.
- Sound budget: projects have to develop budgets reflecting the project design and clearly demonstrating value for money coherent with the planned outputs and the expected results, in line with the principles of sound financial management. The budget is consolidated at project level and partner contributions to the budget shall reflect the joint implementation of the project.

As a general principle, applying across all priorities, the CENTRAL EUROPE Programme is committed to sustainable development and promotion of equality between men and women and non-discrimination (see section 8).

Contracting

Following the decision of the MC to approve project proposals recommended for funding following the technical quality assessment performed by the MA/JS, the MA drafts subsidy contracts using a standard template approved by the MC. The template is developed in compliance with the applicable laws of the Republic of Austria and the principles of the institution hosting the MA. The subsidy contract is addressed to the Lead Partner, appointed by the partnership in accordance to Article 12 ETC regulation, and is signed by the legal representative of the Lead Partner institution and by the MA representing the City of Vienna.

The subsidy contract lays down all the necessary implementing arrangements for a project, in particular:

- Legal framework;
- The object of use (approved work plan, eligible budget, maximum ERDF amount of funding, including the maximum ERDF amount allocated to partners of EU regions outside the eligible area – if applicable, start and end date of implementation, closure of the project);
- General conditions for eligibility of costs;
- Changes and budget flexibility thresholds;
- Procedure related to requests for payments, reporting requirements and deadlines for submission of progress reports;
- Rights and obligations of the LP including, if applicable, special provisions in case of private LP;
- Validation of expenditure and audit of projects;
- Necessary accounting documentation and indication of the archiving period of all project-related supporting documents, with specification of the periods to be respected in case aid has been granted under the de minimis regime;
- Procedure for recovery of unjustified expenditure;
- Publicity, ownership (including dissemination rights) and generation of revenues;
- Assignment, legal succession and litigation;
- Liability clauses.

The approved application documents, including the final approved Application Form and the communication of the approval decision by the MC will also form an integral part of the subsidy contract.

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Monitoring

The monitoring of the CENTRAL EUROPE 2020 Programme will provide project-specific technical and financial information and data on the progress of the programme towards its goals. Monitoring will ensure the quality and effectiveness of implementation by assessing the progress of projects making use of periodic and final reports submitted by the project Lead Partners on behalf of their partnerships.

The Lead Partner will periodically present activity and financial progress reports to the JS and MA. In these documents, the Lead Partner will report on both progress achieved by the project partnership and related eligible expenditure. The submission of the activity and financial progress reports will be in line with the requirements set out in Article 112 (3).The JS will check the compliance of the submitted reports with the approved project application. Data stemming from these reports are recorded and stored in the programme e-Monitoring System (eMS) in compliance with Article 114 (2) CPR and as detailed in Section 5.1.2.k.

The programme eMS provides the data on projects to be communicated to the European Commission as required by Article 102 and Article 44 CPR.

During the monitoring of the activity section of the progress reports, the JS verifies the existence of the project by analysing outputs delivered as referred to in the next paragraph.

Financial Control System

Reliable accounting, monitoring and financial reporting systems will be established, ensuring that accounting records of each project are recorded and stored and that data necessary for financial management, monitoring, verifications, audits and evaluation are suitably managed.

In line with Article 114 (4) and 114 (5) CPR as well as Article 22(4) ETC Regulation, each Member State shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for projects or parts of projects implemented on its territory and the compliance of such expenditure and of related projects or parts of those projects with Community rules and its national rules.

For this purpose, each Member State shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each Lead Partner and partner participating in the project located on its territory. Where the delivery of products and services co-financed can be verified only in respect to the entire project, verification shall be performed by the controller of the Member State where the Lead Partner is located.

The identification of the controllers in each Member State shall be made on the basis of the control system (centralised or decentralised) chosen. Furthermore, the MA with the assistance of the JS will collect information from all Member States on the set-up and functioning of the control systems by means of standardised questionnaires. The information of the questionnaires shall be included in the DMCS on programme level in accordance with Articles 62 and 63 CPR.

Each Member State shall ensure that the MA/JS is regularly informed on the control system set up by each Member State and of any changes thereto.

All details on responsibilities and procedures related to financial control will be laid out in the DMCS.To ensure smooth functioning of the financial control system in the Member States, the designated controllers will be organised in a network of financial controllers which will be coordinated by the JS. The network should meet regularly.

In order to verify the effective functioning of the control systems set in place by each Member State, a number of controls are carried out by the MA with, where applicable, the assistance of the JS. This is done in particular through:

- Verification of the existence of the project
- Plausibility checks of expenditure
- On-the-spot checks

In addition to the above mentioned controls, the MA, with the assistance of the JS, performs additional checks specifically addressed to the verification of the quality standards of the control systems set up by each Member State through:

- Verification of controller documents
- Quality review of centralised systems

The national control coordination bodies of those countries following a decentralized system will carry out checks addressed to the quality of the controllers' work. Further specifications will be laid down in the agreement signed between the Managing Authority, Audit Authority and the Member States.

Reimbursement from the Managing Authority to the Lead Partners

In accordance with Article 12 of the ETC Regulation, for each project, project partners shall appoint a Lead Partner. The Lead Partner shall assume overall responsibility for the application and implementation of the entire project, including the handling of ERDF funds.

All projects have to be pre-financed by the project partners. Expenditure of all partners have to be validated by authorised national controllers.

The Lead Partner collects the certificates of all project partners issued by each of their controllers, to be included in the above mentioned periodic activity and financial progress reports to the MA/JS. In these documents, the Lead Partner reports on progress achieved by the project partnership and on related eligible and validated expenditures.

Based on checks of the reports undertaken by the JS and in accordance with Article 20(2) ETC Regulation and Article 122 CPR, the MA shall make payments to the Lead Partner who is responsible for transferring the ERDF contribution to the partners participating in the project.

In accordance with Article 71 CPR, amounts set out in the programme submitted by Member States and statements of expenditure shall be denominated in Euro. All payments to Lead Partners will be made in Euro.

Resolution of Complaints

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5.1.2.i Annual and Final Implementation Reports

In accordance with Article 44 CPR, the MA will submit an annual report to the Commission for the first time in 2016 and by 30 April each year. The annual reports are to be drafted by the MA/JS on the basis of data provided by the projects through the progress and final reports. Programme annual reports are to be approved by the MC before they are sent to the European Commission.

A final implementation report will be submitted to the Commission by 30 September 2023 following the same procedures as the annual reports.

5.1.2.j Programme Evaluation

The programme has been subject to an ex-ante evaluation of independent evaluators with the aim to improve programme quality and to optimise the allocation of the budgetary resources. The

recommendations of this evaluation have been taken into account during the drafting of this programme as described in Section xx.

In accordance with Article 49 CPR, the Managing Authority will draw up an evaluation plan which will be approved by the MC in line with provisions as laid down in Article 100 (2) (c) CPR.

In accordance with Article 49 CPR, amongst others, evaluations will be carried out to assess the effectiveness, efficiency and impact of the programme. During the programming period, an evaluation will assess how support from the funds has contributed to the objectives for each priority. All evaluations will be examined and approved by the MC.

In compliance with Article 50 CPR, the ex-post evaluation lies in the responsibility of the European Commission together with the Member States.

5.1.2.k Computerised Exchange of Data

As stipulated in Articles 63 and 102 CPR, data exchange with the European Commission will be carried out electronically.

On the side of the programme, the e-MS shall provide data and information needed to fulfil the management, monitoring and evaluation requirements.

In accordance with Article 112 CPR, the CENTRAL EUROPE 2020 Programme will ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and the Managing Authority/Certifying Authority and Audit Authority can be carried out by means of an electronic data exchange system.

The eMS 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 accordance with Article 132 CPR;
- Secure transfer of data;
- Availability during and outside standard office hours (almost 24/7, except for technical maintenance activities);
- Accessibility by the Member States 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).

In order to transfer data to the European Commission, the administration system of the e-MS shall facilitate interoperability with the Union frameworks as required by Article 112 (3) CPR.

The computer system used shall meet accepted security and reliability standards. Accepted procedures that ensure reliability of the accounting, monitoring and financial reporting information in computerised form will be implemented.

5.1.2.l Contribution of the Member States to the financing of Technical Assistance

On programme level, the Technical Assistance is jointly financed by the Member States participating in the programme. In accordance with Article 16 ETC Regulation, TA is financed by a maximum of 6% of the total ERDF amount allocated to the programme and co-financed by the Member States participating in the programme. Details on the TA budget are laid out in Section 3.

Each Member State shall transfer its national co-financing share for Technical Assistance to the account of the MA.

National co-financing of the TA budget is provided as advance payment on a yearly basis in proportion to the individual share of total ERDF funding of the Member State. Any expenditure from an approved activity implemented by Member States, qualified to be financed by TA, needs to be verified by the Member State concerned prior to reimbursement from the Technical Assistance account.

5.1.2.m Information and Communication

In line with Article 105 CPR, a communication strategy will be drafted in the first 6 months of programme implementation to ensure transparency towards and information of relevant partners and stakeholders.

The strategy will define specific communication objectives, target audiences, messages as well as tactics and tools to support the achievement of wider programme goals. It will take into account detailed rules concerning information and communication measures as laid down in Article 105 and Annex VI of the CPR. The strategy will be valid for the whole programming period, complemented by annual work plans. All Programme and project communication activities might be branded consistently to a harmonised branding introduced on a voluntary basis by ETC programmes for the 2014-2020 period.

The overall responsibility for communications rests with the MA together with the JS. However, at national and regional levels, the network of CPs plays a crucial role in complementing transnational and European activities. Approved projects play in addition a key role in communicating project achievements on all levels.

5.1.3 The apportionment of liabilities among the participating Member States in case of financial corrections imposed by the managing authority or the Commission

Without prejudice to the Member States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to Article 112(2) CPR, the Managing Authority shall ensure that any amount paid as a result of an irregularity is recovered from the Lead Partner. In accordance with Article 25 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 Managing Authority 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 Managing Authority the amount unduly paid to that project partner according to Article 25 (3) ETC Regulation. The Managing Authority is responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating Member States as laid down in the agreement with the Member States and in Article 25 ETC Regulation.

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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 112 (2) 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 Managing Authority and the Audit Authority. Specific procedures in this respect will be laid down in the agreement between the Managing Authority and the Member States and will also be part of the description of the management and control system.

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;
- 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 Managing Authority, the liability related to administrative irregularities shall be borne by the Managing Authority;
- For the Technical Assistance expenditure incurred by the Member States the liability shall be borne by the Member State concerned.

5.1.4 Use of the Euro (Article 26 ETC Regulation)

Where applicable, the method chosen for the conversion of expenditure incurred in another currency than the Euro

In accordance with Article 26 ETC Regulation, expenditure incurred by project partners located in countries which are outside the Euro zone, shall be converted into euro. The conversion is to be made by the beneficiaries by using the monthly accounting exchange rate of the European Commission in the month during which expenditure was submitted for verification to the controller in accordance with Article 20 ETC Regulation.

5.2. Involvement of partners (Article 23(2) CPR and Article 7 (4) (c) ETC Regulation)

5.2.1. Role of the relevant partners in the preparation and implementation, of the cooperation programme.

1) Process of the preparation of the cooperation programme

The process of partner involvement and preparation of the Operational Programme was coordinated by the MA/JTS of the CENTRAL EUROPE 2007-2013 Programme.

The consultation of relevant partners within the process of preparation of the CENTRAL EUROPE 2020 Programme followed a multi-level approach described below.

The aim of the process was on the one hand to validate strategic choices (thematic concentration) for the CENTRAL EUROPE Programme and on the other hand to collect additional inputs and suggestions as well as ideas on potential transnational actions to be supported. Therefore, the thematic focus of the CENTRAL EUROPE Programme was discussed and consulted upon in a number of events as well as through surveys. The process of partner involvement included:

- A transnational online survey between 9 and 30 April 2013, with more than 600 partners responding;
- Nine national events, held in participating countries between March and September 2013, reaching 577 partners;
- One transnational stakeholder event in the frame of the CENTRAL EUROPE 2007-2013 annual conference "Defining CENTRAL EUROPE" in Padua on 16 May, 2013, with 354 participating stakeholders;
- Two transnational online surveys, carried out in October 2013, addressing the respective relevant institutions involved in the governance of the Danube, Baltic Sea and Adriatic-Ionian Macro-Regional Strategies (mainly priority area coordinators) as well as EGTCs.

Figure xx: Stakeholder consultation CE2020 - participants per country

Source: ÖIR, 2013 based on JTS CENTRAL EUROPE (2013a,b)

In terms of national participation, Italian stakeholders strongly participated in the consultation process. At the transnational conference – which took place in Italy – about 180 Italian stakeholders were present. Additionally, Austria reached a high share with about 240 participants in the entire process (also due to very high participation in the Austrian national event). Around 200 stakeholders participated from Germany and Poland with other Member States less represented.

The stakeholders involved in the partner consultation process covered a wide range of different backgrounds. Within the transnational online survey about 30 % of the respondents represent research institutions and universities as do regional or local public authorities. In the national events administrative bodies, specific experts as well as private companies and research institutions participated. In the transnational conference the majority of participants represented public authorities as well as private companies.

The response from stakeholders involved in the governance of Macro-Regional Strategies was rather modest, with three priority area coordinators of the Danube MRS as well as three priority area coordinators and one horizontal action coordinator of the Baltic Sea MRS providing feedback. No response was received from the coordinators of the four pillars of the Adriatic-Ionian MRS.

With regard to the consultation of EGTCs, inputs were provided by two EGTCs out of the 19 addressed.

The process of stakeholder involvement built upon the consultation of a preselected set of thematic objectives (TO), investment priorities (IP), and a draft definition of corresponding specific objectives as well as topics elaborated for each specific objective proposed. Ad-hoc guidance documents were provided to stakeholders summarising the set of Thematic Objectives, Investment Priorities, Specific Objectives (within each Investment Priority) for building the strategy and intervention logic of the CENTRAL EUROPE 2020 Programme.

In order to achieve a broad involvement of relevant partners the announcement of the online survey, the national events and the transnational stakeholder dialogue were published on the CENTRAL EUROPE 2007-2013 Programme website and on the websites of the national Contact Point institutions. For example, the notification about the online survey was sent by e-mail to nearly 10.000 stakeholders in order to achieve wide involvement. Surveys targeting specific categories of partners (Macro-Regional Strategy institutions and EGTCs) were also sent via e-mail.

In the transnational online survey, stakeholders were asked to prioritise the indicated topics per specific objective or to propose additional topics. At the national events, participants provided qualitative feedback on the topics and commented on proposed thematic objectives, investment priorities as well as on the draft specific objectives. As part of this process, a number of potential transnational actions were proposed by the stakeholders and new topics were added. At the transnational conference, consolidating the consultations, the participants further discussed the pre-defined topics plus the additional ones derived from the survey and the national events.

Stakeholders of Macro-Regional Strategies and EGTCs were asked in their dedicated surveys in October 2013 to rate the relevance of the CENTRAL EUROPE 2020 specific objectives to the respective priority areas/horizontal actions/pillars or EGTC objectives of reference.

The stakeholder consultation process provided additional ideas and input for the topics per specific objective for the chosen investment priorities as well as for the definition of beneficiaries and target groups (where applicable). Generally, a broad image of comments and remarks was received from the process of stakeholder consultation. Inputs were finally consolidated and relevant remarks and comments integrated by means of a structured method (grid), thus ensuring that no information was lost.

The result of the multi-level consultation process provided significant added value to the preparation of the Operational Programme. Within a deductive process, all results have been clustered, similar topics raised or discussed have been merged to avoid overlaps and relevant issues have been integrated into the OP. Here it has to be mentioned, that comments and recommendations proposed just in individual cases and which had not been substantiated within other processes of the stakeholder consultation have not been integrated[15]. The results provided valuable inputs for the specification and clarification of specific objectives and potential transnational actions of the CENTRAL EUROPE Programme.

The full documentation of the partner involvement process is provided in Annex xx (Main inputs collected through partner dialogues, October 2013) as well as in Annex xx.

[15] E.g.: If an additional topic was suggested by one member state in the national events this topic was either included and merged with an existing topic or included as an additional topic, if it had been adequately discussed at the transnational conference; otherwise the suggestions has not been included.

2) *A description of how the relevant partners will be involved in the implementation of the cooperation programme*

The involvement of relevant partners in the implementation of the CENTRAL EUROPE Programme will be organised with a twofold purpose:

- To enhance ownership of the programme by the partners, also making use of the knowledge and expertise brought by partners and increasing transparency in decision-making processes;
- To improve the coordination with other ESI Funds as well as with relevant national funding instruments under the umbrella of the Common Strategic Framework (CSF).

Due to the large area covered by the programme the participation of relevant partners in the programme MC - in accomplishment of Articles 5 (2) and 42 CPR - will be organised through national coordination committees preparing and supporting the MC members in the execution of MC tasks, including the preparation of calls for proposals and of programme progress reports as well as the monitoring and evaluation of the programme. National coordination committees will be organised in compliance with applicable national requirements concerning their composition, functioning and management of obligations on data protection, confidentiality and conflict of interest.

National coordination committees would represent the platforms in which relevant national partners can bring up their points of view on strategic matters concerning the implementation of the programme. Moreover, and as mentioned in Section 6, national committees would allow improving the coordination with ESI programmes and other national funding instruments through the involvement in such committees of representatives of bodies participating in the implementation of relevant national and/or regional programmes.

The CENTRAL EUROPE Programme will also seek to involve relevant EU umbrella institutions and organisations, such as the Committee of the Regions, in the programme MC with an observer role.

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SECTION 6. Coordination - Article 7(5) (a) ETC Regulation

The mechanisms that ensure an effective coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments, including the coordination and possible combination with CEF, ENI, EDF and IPA and with the EIB taking into account the provisions laid down in the CSF as set out in Annex I of the CPR. 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

In compliance with Article 6 and Annex I CPR, coordination and use of synergies with other European Structural and Investment (ESI) Funds as well as with other relevant Union policies, strategies and instruments, including those in the framework of the Union's External Action Member States, have to be pursued. This section gives an overview on the principles followed for implementing the CENTRAL EUROPE 2020 Programme in a complementary and coordinated manner with the relevant instruments and funds in accordance with the principles of subsidiarity and proportionality.

6.1 Coordination with other ESI Funds

ETC programmes have a great potential for facilitating the implementation of national and regional programmes supported by the ERDF, ESF, Cohesion Fund, EAFRD and EMFF, allowing tackling common challenges and needs beyond administrative borders. Coordination and complementarity with other ESI funds is key, especially in terms of investment planning and preparation which projects supported by the CENTRAL EUROPE 2020 Programme have accomplished at regional and local levels. Already in the 2007-2013 period transnational cooperation projects demonstrated to be able to prepare the ground for medium to large-scale investments, not only in terms of development of technical specifications of investments but also in term of building knowledge and capacity, mobilising critical mass as well as creating and strengthening ownership.

The CENTRAL EUROPE 2020 Programme will seek coordination with other ESI funds by setting up the following measures:

- When submitting proposals, applicants will have to describe the coherence and complementarity with national and regional programmes supported by ESI funds, within an ad-hoc section in the application form, giving evidence of the added value to be expected by transnational cooperation. In particular, applicants proposing actions with a focus on investment preparation will have to explain how to link to other national and regional programmes of the Investments for Growth and Jobs goal supported by the ERDF and ESF as well as with the Cohesion Fund, the EAFRD (in particular with reference to the Leader initiative) and the EMFF programmes.

- National coordination committees supporting the Monitoring Committee members (as described in Section 5.2) will, to the possible extent, involve representatives of bodies participating in the implementation of national and regional programmes supported by the ESI funds, seeking to achieve coordination at all stages of the programme lifetime (through e.g. sharing of relevant programme implementation documents and guidelines such as application manuals, by organising national info events jointly with national and regional programmes, by coordinating points of contact for applicants and beneficiaries of different programmes in order to circulate information in an integrated manner, etc.).

- The MA and the JS in cooperation with the CENTRAL EUROPE network of Contact Points will make available and widely communicate the outputs and results of CENTRAL EUROPE projects through relevant tools and measures implemented both at the transnational and national levels as defined in the Programme communication strategy.

- The above measures will also allow streamlining the implementation of transnational interventions supported by national and regional programmes of the Investments for Growth and Jobs goal. In this regard national committees will have the possibility to provide information to national and regional programmes, including guiding principles and transnational experiences made within the CENTRAL EUROPE 2020 Programme.

In the framework of the coordination with other ESI funds, special attention will be given to the possibility to coordinate with other programmes of the European Territorial Cooperation (ETC) objective. In this regard the CENTRAL EUROPE 2020 Programme will seek exchanges with the Managing Authorities of other ETC programmes sharing the cooperation area. Particular potential for efficient coordination is expected especially with the neighbouring transnational programmes through realising:

- Exchange of information during the assessment of project proposals in order to detect and avoid to the possible extent potential overlapping and duplications as well as to activate synergies between complementary projects being implemented in different cooperation areas.

- Exchange of information during the monitoring of the implementation of approved projects, in order to set up cross-fertilisation actions (including events and trainings for beneficiaries) that would allow unfolding synergies between projects tackling a same challenge and addressing shared needs of stakeholders located in different cooperation areas.

- Use of the geographical flexibility, as provided for in Article 19 (2) ETC Regulation, that would allow to develop transnational projects having a geographical scope going beyond the programme area, thus establishing links, creating opportunities and promoting sustainable development within and across areas sharing common features (e.g. corridors and Macro Regions).

6.2 Coordination with other Union Instruments

Coordination between ETC programmes and other Union instruments has the potential to raise the impact of Union policies at national and regional level supporting local, regional and national investments that effectively contribute to the Europe 2020 strategy. This potential is particularly visible in the following thematic areas addressed by the CENTRAL EUROPE 2020 Programme:

- Research, innovation and entrepreneurship, where transnational cooperation projects can prepare and increase capacity of regional innovation systems, paving the way to excellence in research and innovation and therefore preparing a fertile seedbed for Horizon 2020 and COSME. At the same time this will also contribute to the effective implementation of the national and/or regional research and innovation strategic policy frameworks for smart specialisation;

- Environment protection and climate change, where transnational cooperation projects can build capacity and readiness of regions to develop and apply innovative solutions for environment protection and management, resource efficiency and climate change mitigation and adaptation, complementing the actions of LIFE +;

- Transport, where transnational cooperation projects can stimulate investment in regional connectivity, closing the gaps that are affecting remote regions in accessing the TEN-T corridors and therefore complementing the actions of the Connecting Europe Facility.

The CENTRAL EUROPE 2020 Programme will seek coordination through the following measures:

- When submitting proposals, applicants will have to describe the coherence and complementarity with other Union instruments of relevance for the topics addressed by the proposals, within an ad-hoc section in the application form. Evidence of the added value brought by transnational cooperation has to be demonstrated in particular with regard to Horizon 2020, COSME, LIFE+, Connecting Europe Facility. Multi-annual and annual working programmes as well as guidelines developed within these instruments shall be considered by applicants when submitting proposals.

- Exchanges with and advice from the EU Commission Services and other European and national bodies involved in the management of Union instruments will be sought by the MA and JS, in order to exchange good practice and to jointly spread information targeting common relevant stakeholders. A particular potential to activate synergies is seen with the EU Commissions thematic DGs (especially in the fields of R&I, SME development and entrepreneurship, Tourism, Environment, Energy) and with European agencies (as the "Executive Agency for Competitiveness and Innovation", "Research Executive Agency" and the "TEN-T Executive Agency").

- Also in this case, communication tools and measures to be set in place by the MA and the JS in cooperation with the CENTRAL EUROPE network of Contact Points will allow widely communicating the outputs and results achieved by CENTRAL EUROPE projects in order to make them available to thematic stakeholders addressed by Union instruments. Where applicable, national points of contact of EU programmes (e.g. LIFE+, IEE, etc.) will be directly involved in national and transnational information events organised by the CENTRAL EUROPE 2020 Programme.

6.3 Coordination with ENI and IPA

The CENTRAL EUROPE 2020 Programme will seek coordination with the external policy instruments of the European Union with regard to the Pre-Accession Instrument (IPA) and the European Neighbourhood Instrument (ENI). Even if the programme does not benefit of IPA and ENI funding, the spreading and continuation of outputs and results of CENTRAL EUROPE projects in bordering candidate and non-European countries would contribute both to their accession process (applicable to Serbia, Montenegro and Bosnia Herzegovina) and to a harmonious vicinity (applicable to Ukraine and Belarus).

The CENTRAL EUROPE 2020 Programme will seek coordination through the following measures:

- The CENTRAL EUROPE Contact Points of those Member States sharing borders with non-EU countries will make available outputs and results achieved by CENTRAL EUROPE projects to national and local stakeholders involved in IPA and ENI initiatives;

- Managing Authorities and Joint Secretariats of IPA and ENI CBC programmes will be addressed by the CENTRAL EUROPE 2020 Programme improving exchanges of information on project proposals and approved projects, in order to activate synergies between complementary projects being implemented at the external borders.

6.4 Coordination with relevant National Funding Instruments

Transnational projects supported by the CENTRAL EUROPE 2020 Programme have the potential to improve the implementation of national, regional and local policies and of the related funding instruments. In this respect, coordination and complementarity potentials can be seen in the

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preparation of investment to be realised with national funding, as well as in the application of national incentives in the thematic sectors addressed by the programme (e.g. de-taxation of expenditure and other incentive mechanisms applied at national level for R&I initiatives made by enterprises and/or for energy efficiency and renewable energy usage interventions of enterprises and households).

The CENTRAL EUROPE 2020 Programme will seek coordination with relevant national funding instruments by setting up the following measures:

- When submitting proposals, applicants will have to describe the coherence and complementarity with national policies and funding instruments, within an ad-hoc section in the Application Form, giving evidence of the added value brought by transnational cooperation.

- National coordination committees supporting the Monitoring Committee members (as described in Section 5.2) will, to the possible extent, involve representatives of bodies involved in setting-up and/or implementing national, regional and local funding instruments to seek the full circulation of information especially with regard to outputs and results of transnational projects that could support a an effective implementation of national, regional and local policies and funding instruments.

6.5 Coordination with the EIB

Preparation of large-scale investments in the framework of the CENTRAL EUROPE 2020 Programme represents an important share of outputs delivered by projects. Transnational cooperation therefore can contribute to make project results ready ("bankable") for benefitting of instruments of the European Investment Bank (EIB), both in terms of technical preparation and execution of large-scale investment. Synergies can be activated especially in the following thematic areas addressed by the CENTRAL EUROPE 2020 Programme:

- Infrastructure, where the "Joint Assistance to Support Projects in European Regions" (JASPERS) instrument can support the realisation of large scale investments prepared by cooperation projects especially in the transport and environment sectors;

- Urban development, where the "Joint European Support for Sustainable Investment in City Areas" (JESSICA) instrument can support the realisation of large scale investments prepared by cooperation projects in functional urban areas;

- Energy, where the "European Local ENergy Assistance" (ELENA) instrument can bring forward the achievements of cooperation projects preparing large energy efficiency and renewable energy projects at local and regional level.

In addition to investment preparation, further synergies can be activated in the field of entrepreneurship, where transnational cooperation projects can ease the access to the "Joint European Resources for Micro to Medium Enterprises" (JEREMIE) programme through knowledge and capacity building of entrepreneurs and public institutions.

Coordination with EIB will be sought by the CENTRAL EUROPE 2020 Programme through the following measures:

- Ad-hoc information measures for beneficiaries on opportunities offered by the EIB for the follow-up of project outputs and results into large-scale investments;

- One-to-one support to projects identifying the most promising outputs and results, suitable to be continued with the support of EIB, helping them in the early stages of contacting and exchanging of information with EIB offices.

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SECTION 7. Reduction of the Administrative burden for beneficiaries – (Article 7 (5) (b) ETC Regulation)

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

A light set of rules and simple administrative procedures are the pre-conditions for an effective capacity of the programme to drive the expected changes in the central Europe area, making the reduction of administrative burden a key target.

Management and control requirements applicable to Structural Funds call for a careful handling of the public spending processes and therefore a good balance between simplification and control has to be achieved by:

- Learning from the experience made in previous programming periods;
- Making use to the possible extent of simplified cost options available for the 2014-2020 period if accepted and applied by national controllers;
- Making use of the Harmonised Implementation Tools (HIT) developed by the INTERACT Programme in cooperation with ETC programmes.

Actions planned to reduce administrative burden will primarily build on the implementation of a system for data exchange fully in line with e-cohesion requirements (as described in section 5.1.2.k).

Planned actions cover all phases of the project cycle, as described below.

Formal eligibility of applications

The formal/administrative requirements of applications to be fulfilled, in order to be considered eligible and enter into the quality assessment phase caused a drop-out of more than 20 % of the applications submitted to the CENTRAL EUROPE 2007-2013 Programme.

While on the one hand formal mistakes leading to ineligible applications make void the efforts spent by partnerships in preparing them, on the other the administrative compliance checks of applications absorb a huge amount of resources of the programme bodies. Simplification of the submission procedure could considerably reduce the percentage of ineligible applications out of formal/administrative reasons, therefore increasing the efficiency of the process. This could be reached through embedding in the Application Form text fields that in the 2007-2013 period were contained in separate documents. In addition, the submission of applications and accompanying documents would only be requested in electronic version with signed hard-copies to be provided only when an application is proposed for funding. The Application Form template will build on the HIT template, thus making its use easier for applicants that would find a similar template in different ETC programmes.

Simplifications regarding the formal eligibility of applications will be introduced from the very beginning of programme implementation, possibly already when launching the first call for proposals.

Harmonised eligibility rules and budget lines

In the 2007-2013 programming period, one of the main causes of high administrative burden on the beneficiaries was the lack of harmonised eligibility rules, which were defined at national level causing disparities among partners of a same project. Moreover, a lack of harmonised definitions of budget lines caused several constraints to beneficiaries involved in more than one programme, due to the very different approaches followed by the programmes.

The 2014-2020 regulatory framework under Article 17 (1) ETC Regulation provides for eligibility rules referring to a pre-defined set of budget lines common to all ETC programmes namely:

1. Staff costs
2. Office and administrative expenditure (indirect costs)
3. Travel and accommodation costs

4. External expertise and services costs
5. Equipment expenditure (including investments)

Moreover, Article 17 (3) ETC Regulation determines a new hierarchy of eligibility rules, with programme rules specifying what not defined at EU level and national rules specifying only what is not covered by EU or programme rules.

In defining programme rules, special attention will be paid to "staff costs" as well as "office and administrative expenditure", for which several simplification options are available. In order to minimise the administrative burden, the CENTRAL EUROPE 2020 Programme will make use, to the maximum possible extent, of the simplification options offered by the regulatory framework if accepted and applied by national controllers.

Such simplifications would be introduced from the very beginning of the programme implementation, possibly already when launching the first call for proposals.

Streamlined monitoring of projects' progress

The content and financial monitoring of project progress in the CENTRAL EUROPE 2007-2013 Programme allowed analysing in-depth (content-wise) the progress of projects towards expected results, at the same time verifying the soundness of the programme management and control environment also at national level.

However, there were also some shortcomings:

- The analysis of all project outputs (including minor ones) performed by the MA and JS resulted in a high burden for beneficiaries, prolonging the time needed for analysing reports and the subsequent reimbursement;
- The complexity of the Progress Report template, which was difficult to fill in for beneficiaries;
- The technology used for the Progress Report (off-line excel files), which did not allow multiple user entries;
- The lack of a pre-defined reporting system from Project Partners to their Lead Partners which sometimes (especially for less experienced Lead Partners) resulted in extended timeframes needed for drafting reports;
- The indicators used for monitoring project progresses, which resulted to be difficult to be understood and interpreted.

Based on experiences made, and in light of the fact that the "result-oriented" approach characterising the 2014-2020 programmes calls for an even closer attention to monitoring thematic project achievements, the programme intends to build a system for monitoring project progresses based on the principles already applied in the CENTRAL EUROPE 2007-2013 Programme - however, with the possibility to further improve through the following actions:

- To make use to the possible extent of the HIT progress report template on a web-based system, in order to allow multiple users;
- To focus the analysis of outputs on main project outputs, with the analysis of minor outputs (e.g. meeting agendas) to be shifted mainly to national controllers;
- To prepare a model tool-box for the reporting from Project Partners to the Lead Partners, which can be optionally used;
- To limit to the possible extent the number and complexity of indicators used for reporting on project progress;
- To organise ad-hoc trainings for beneficiaries on project reporting, control and audit.

Actions for streamlining the monitoring of project progress will be introduced from the very beginning of the programme implementation, possibly at the time of approving projects submitted within the first call for proposals.

SECTION 8. Horizontal Principles (Article 7(3) ETC Regulation)

8.1. Sustainable development

A 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.

Sustainable development is integrated as a horizontal principle considered in all steps of the preparation of the Operational Programme, which will be respected during its implementation, monitoring and evaluation. This will be further supported through the introduction of appropriate management arrangements that will support sustainable development of the transnational cooperation area.

Besides the verification of the respect of in-force rules on environment and sustainable development, the programme seeks to avoid or reduce environmentally harmful effects of interventions and to deliver results in terms of social, environmental and climate benefits.

The following general principles will be adopted in the selection of project proposals and the monitoring of the implementation of approved projects:

- To direct investments towards the most resource-efficient and sustainable options;
- To avoid investments that may have a significant negative environmental or climate impact and to support actions to mitigate any remaining negative effects;
- To take a long-term perspective when 'life-cycle' costs of alternative options for investment are compared;
- To encourage the use of green public procurement.

Projects submitted under any chosen priority axis will be encouraged to incorporate activities for tackling environmental concerns and reducing their environmental footprint, for example by:

- Including environmental criteria in their procurement procedures (e.g. green procurement procedures);
- Giving preference to environment-friendly mobility options for short travel distances;
- Adopting to the possible extent measures for the organisation and implementation of conferences and events in a sustainable way (e.g. reducing printing and using recyclable materials, use of video conference facilities etc.);
- Considering resource efficiency and the use of renewable energy to the possible extent (also in other priority axes than 2 and 3);
- Making use of regional supply chains (reducing supply chain length and CO_2 emissions).

Additionally, all projects supported by the programme will have to respect the relevant policies and rules on environment protection and sustainable development, including the reviewed European Union Strategy for Sustainable Development (2009), the Flora-Fauna-Habitat Directive and the Birds Directive being the "cornerstone of Europe's nature conservation policy" (European Commission, 2013p: online), and any other applicable rule.
When submitting proposals, applicants will have to describe the contribution to sustainable development within an ad-hoc section in the Application Form, explaining how the sustainability principle is anchored within the project design and its planned activities, in particular related potential environmental effects of foreseen investments. This matter is considered as a horizontal issue during the quality assessment of project proposals (see Section 5.1.2.h).

The principles of sustainable development as described above will also be considered in terms of programme management arrangements (Priority 5).

In addition to the above general principles, project proposals will have to demonstrate their contribution to sustainable development (along its economic, social and environmental pillars) in line with the following principles defined at the level of each priority axis:

Priority axis 1 aims at strengthening regional innovation capacities as well as building knowledge and skills for improving economic and social innovation. Specific attention will be given to the fields of eco-innovation and innovation for low-carbon solutions. The stimulation of social innovation and entrepreneurship will contribute to meet social needs such as those deriving from demographic change, migration and brain-drain.

Priority axis 2 targets low carbon strategies with a focus on energy sustainability considering the economic growth potential of this sector. It will support projects increasing the usage of renewable energy, improving energy efficiency of public infrastructure. Territorially based low carbon strategies and low carbon mobility of functional urban areas will help to tackle challenges of energy production and consumption, to reduce CO_2 emissions and to mitigate climate change.

Priority axis 3 focuses on the preservation and sustainable use of natural and cultural heritage and resources, which are considered an important location factor for regional development and economic growth. Further emphasis is put on resource efficiency and on improving the quality of the environment in functional urban areas which will directly affect the quality of life for urban residents. Projects supported under this priority will clearly contribute to all dimensions of sustainability.

Priority axis 4 deals with sustainable transport, namely by supporting the connectivity of regions and cities to the European transport networks and the improvement of multi-modal environment-friendly freight and passenger transport. Considering the principle of sustainable development, emphasis is put on public transport, considering also improved mobility services in the public interest (e.g. for disadvantaged groups, for shrinking regions). It thereby contributes to sustainable growth by supporting the energy reduction objectives considering also social aspects.

8.2. Equal opportunities and non-discrimination

A description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and in particular in relation to access to funding taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for persons with disability.

The CENTRAL EUROPE Programme will consider the principles of equal opportunities and non-discrimination throughout all stages of its implementation, including the preparation, implementation, monitoring and evaluation of projects. The programme strives for promoting equal opportunities and preventing any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during its life cycle and in particular in relation to access to funding taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for persons with disability.

As shown in the regional analysis and baseline situation (Section 1), central Europe is characterised by disparities in terms of social cohesion, economic development, innovation, accessibility etc. and between urban, rural and peripheral regions. Especially peripheral areas are confronted in many regions with negative demographic trends and brain-drain occurrences, due to out-migration of well-educated persons.

In response to this situation and applying the principle of equal opportunities and non-discrimination in a horizontal manner, the will contribute to a more inclusive and cohesive development by means of stimulating activities (in the fields of accessibility, knowledge and skills, social innovation etc.) that address the needs of disadvantaged groups in order to allow them to better integrate into the labour market. This will facilitate their full participation in society as well as social inclusion and foster the integration of people facing particular difficulties on the labour market, such as older workers, people with disabilities, minorities etc. as laid down in the EU Green Paper on equality and non-discrimination (European Union, 2013c: online).

Besides actions of those projects which explicitly address the reduction of disparities, all projects submitted under any chosen priority axis will be encouraged to incorporate activities for integrating measures to consider the principle of equal opportunities and non-discrimination, for example by actively tackling concerns of demographic change, peripherality and a wider equality.

Additionally, all projects funded by the programme will have to ensure that the activities implemented are in line with the principle of equal opportunities and do not generate discrimination of any kind. The obligation to comply with the Community rules of horizontal policies such as equal opportunities will be included in the subsidy contract of each project.

When submitting proposals, applicants will have to describe the contribution to equal opportunities and non-discrimination within an ad-hoc section in the Application form, explaining how the equal opportunity principle is anchored within the project design and its planned activities. This matter is considered as a horizontal issue during the quality assessment of project proposals (see Section 5.1.2.h).

The principle of equal opportunities as described above will also be considered in terms of programme management arrangements (Priority 5).

In addition to these general principles, project proposals will have to demonstrate their contribution to equal opportunities in line with the following principles defined at the level of each priority axis:

Priority axis 1 aims at strengthening competences and stimulating entrepreneurship for social innovation (as e.g. health care, social inclusion of minorities, disabled persons, ageing society etc.). This will contribute to meet social needs such as those deriving from demographic change, migration and brain-drain (e.g. youth unemployment, shrinking regions facing skills shortages etc.). It will also allow for better integrating disadvantaged persons into the labour market and thereby facilitate their full participation in society.

Priority axis 2 targets low carbon strategies and will include actions to tackle challenges of low carbon public transport in functional urban areas, thereby contributing to ensuring equal access to sustainable urban transport services.

Priority axis 3 will cover actions on participatory planning and decision making processes for improved urban environmental management. It will also tackle the reduction of land use conflicts due to urban sprawl, shrinkage and fragmentation under the consideration of social implications. This will consequently lead to an improved quality of the environment in functional urban areas which will directly affect the quality of life for all population groups.

Priority Axis 4 targets sustainable transport and will consider also social aspects in terms of provision of improved mobility services in the public interest (e.g. for disadvantaged groups, for shrinking regions).

8.3. Equality between men and women

A description of the contribution to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

The CENTRAL EUROPE Programme will follow the principle of equality between men and women throughout all stages of programme implementation, including the preparation, implementation, monitoring and evaluation of projects.

Projects submitted under any chosen priority axis will be encouraged to incorporate activities for integrating the gender mainstreaming principle, for example by:

- Integrating equal participation of women and men;
- Actively promoting gender mainstreaming.

Additionally, all projects funded by the programme shall ensure that the activities implemented are in line with the principle of equality between men and women and do not generate discrimination of any kind. The obligation to comply with the Community rules of horizontal policies such as equality between men and women will be included in the subsidy contract of the projects.

When submitting proposals, applicants will have to describe the contribution to this principle within an ad-hoc section in the Application Form, explaining how the gender mainstreaming principle is anchored in the project design and its planned activities. This matter is considered as a horizontal issue during the quality assessment of project proposals.

The principle of equality between men and women as described above will also be considered in terms of programme management arrangements (Priority 5 Technical assistance). The Programme will also carry out a self-assessment exercise focusing on the application of the gender mainstreaming principle (in accordance with Annex 1 CPR).

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SECTION 9. Separate elements - presented as annexes in printed document version

9.1. A list of major projects for which the implementation is planned during the programming period (Article 7 (2) (e) ETC Regulation)

Table 23: A list of major projects

Title	Planned time of notification/submission of the major project application to the Commission (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date of implementation (year quarter)	Investment priority	Priority axis

9.2. The performance framework of the cooperation programme

Table 24: The performance framework of the cooperation programme

Priority axis	Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)

9.3 List of relevant partners involved in the preparation of the cooperation programme

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 (Article 24 bis ETC Regulation)

Not applicable

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