



GUIDE TO THE EU FUNDS FOR THE FORESTRY SECTOR



HRVATSKA KOMORA
INŽENJERA ŠUMARSTVA
I DRVNE TEHNOLOGIJE



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1. PREFACE

The accession of the Republic of Croatia to the European Union on July 1st, 2013, which was one of the most significant national strategic goals, has not only brought new challenges but also great opportunities for Croatian forestry. EU membership requires the continuous adaptation of the forestry sector, its education and the use of all its capacities in order to exploit the many opportunities available, especially in the context of the use of EU funds, particularly those promoting rural and regional development.

Forests and forest land, which cover almost half of the national land area, are of great interest to Croatia and are under its special protection, as one of the most valuable natural capital assets brought by accession to the European Union. For this reason, forestry has been recognized as one of the priority areas for investment from European Structural and Investment (ESI) Funds in the framework of EU Cohesion policy instruments and is included in the programming documents of the Republic of Croatia (Partnership Agreement, Programmes) on the basis of which EU funds will be used in the 2014-2020 financial period.

During the pre-accession period, Croatia had the opportunity to use EU funds to help beneficiaries in co-financing their projects and build their capacities as well as the capacities of the Croatian administration in using EU funds efficiently and effectively. Thus, since 2007 Croatia more than EUR 150 million per year was available from the Instrument for Pre-Accession Assistance (IPA). Unfortunately, during this period the forestry sector was insufficiently recognized among the priority areas and had only limited possibilities of using EU funds in the pre-accession period, except within IPA Component II (cross-border cooperation) in the framework of the environmental and nature protection priority.

In the financial period 2014-2020, the Republic of Croatia has a total of EUR 10.676 billion available from ESI Funds. Of this amount, EUR 8.397 billion are allocated to the objectives of the Cohesion Policy, while EUR 2.026 billion are allocated for agriculture and rural development and EUR 253 million for the development of fisheries.

In addition to the opportunities from using ESI Funds, EU membership has also brought Croatia the opportunity for full participation in all EU Programmes, which provide other tools to support EU policies and aim at improving cooperation between member states and their citizens in different sectors.

In the year when Croatian forestry proudly celebrates the 250th anniversary of organized forest management, the Croatian Chamber of Forestry and Wood Technology Engineers has prepared this guide for all stakeholders in the forestry sector of Croatia, as well as the wider public, providing a concise review of the available opportunities as an introduction to the world of EU funds. Of course, this is only the beginning of your path to the successful use of EU funds with the aim of bringing many positive changes to Croatian forestry, a path on which the Croatian Chamber of Forestry and Wood Technology will continue to support you.

Let us be successful in the use of EU funds, as we have been successful in sustainable forest management in the past 250 years!

The President of the Croatian Chamber of Forestry and Wood Technology Engineers

2. WHO IS THIS GUIDE INTENDED FOR?

- Forestry and wood technology engineers
- Licensed contractors in forestry
- Legal entities managing state forests and forest land
- Private forest holders
- Private forest holder associations
- SMEs in wood processing
- SMEs in forest-based industries
- Scientific and academic/educational institutions in forestry
- Advisory Service
- General public



3. FORESTRY IN THE EUROPEAN UNION

In the last few decades, forests and forest land have spread across the EU territory and today they cover more than 42% of its land area, and are characterized by a great diversity of forest types and ownership structures. They represent one of Europe's most important renewable resources, providing multiple benefits to society and the economy. Their multifunctionality can be clearly seen throughout the EU, especially in the heavily forested regions, because forests fulfil economic, environmental and social functions. These forests are one of Europe's main sources of biodiversity. They are a key resource for improving the quality of life and creating employment in the EU, particularly in rural areas, by protecting and providing ecosystem services to all citizens. Forestry and related industries provide jobs for more than three million people and are essential for prosperity and employment in the EU. The EU encourages employment in the forestry sector and its related prosperity, therefore underlining the importance of sustainable production of wood products for the further development of sustainable economic concepts and the creation of environmentally friendly jobs.

Unlike the agricultural sector of the EU, which has developed as a part of the Common Agricultural Policy for more than half a century, the common EU policy for forestry was not mentioned in the Treaty on the Functioning of the European Union because of the specific features of each Member State. Therefore, it is expected that forest policies will remain within the competence of the Member States. On the other hand, forests are under increasing pressure due to the increasing demand for wood and are exposed to many sectoral policies of the EU and the accompanying regulations that forestry and the forests are subjected to. Therefore, an efficient and effective implementation of the new EU Forest Strategy is essential.



The new **EU Forest Strategy: for forests and the forest-based sector** represents a holistic approach to improving the coordination of forestry in the EU, by promoting an efficient and effective implementation and tries to avoid unnecessary bureaucracy and strengthen the productivity of the forestry sector in the EU. The objectives for forests for 2020 are to ensure and demonstrate that all forests in the EU are managed according to sustainable forest management principles and that the EU's contribution to promoting sustainable forest management and reducing deforestation at global level is strengthened, thus: a) contributing to balancing various forest functions, meeting demands, and delivering vital ecosystem services; and b) providing a basis for forestry and the whole forest-based value chain to be competitive and viable contributors to the bio-based economy.

Policies and programmes of the Member States should contribute to increasing the competitiveness of the forestry sector in order to stimulate growth and job creation. The strategy encourages Member States, in cooperation with the social partners, to develop measures for better exploitation of the employment potential of the sector, improve workers' skills in the sector and further improve working conditions. Forestry and the wood processing industry can provide a true contribution to the success of the Europe 2020 Strategy. In order to better achieve the goals set in the strategy for forests, Member States are invited to give appropriate importance to measures associated with forestry while planning and implementing programmes. Furthermore, the new EU Forest Strategy supports new possibilities for state aid for the forestry sector under certain conditions. It particularly welcomes innovative financing mechanisms that can be used to mobilize funding from public and private sources, in particular for the payment of ecosystem services.

The new EU Forest Strategy concludes that forests and the forestry sector currently receive significant EU funding and that these funds should be dedicated to contributing to the objectives of this strategy, and in particular to ensuring that EU forests are demonstrably managed according to sustainable forest management principles.

EU Forest based Industries (woodworking, furniture, pulp and paper manufacturing and converting, and printing) are an important part of the EU economy, representing about 7% of EU manufacturing GDP and providing nearly 3.5 million jobs. The overall objective at EU level is to facilitate the legislative and policy framework within which they operate to help maintain their competitiveness. This can be achieved through stimulating growth and innovation, facilitating access to key inputs, ensuring a business friendly environment in the EU, and a fair level playing field on global markets. Forest based industries are particularly important in Croatia as they can provide income to forest holders and help to maintain employment and generate wealth in rural areas, also helping to combat rural depopulation and contributing to the development of a low-carbon bio-economy, thereby reducing Croatia's dependence on non-renewable energies. The new EU Forest Strategy also includes a Blueprint for the EU Forest-based Industries.

4. EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

In the financial period 2014-2020, the Republic of Croatia has a total of EUR 10.676 billion available from ESI Funds. Of this amount, EUR 8.397 billion are allocated to the objectives of the Cohesion Policy, while EUR 2.026 billion are allocated for agriculture and rural development and EUR 253 million for the development of fisheries.

ESI Funds	Allocation (EUR)
<i>European Regional Development Fund (ERDF)</i>	4.321.499.588
<i>Cohesion Fund (CF)</i>	2.559.545.971
<i>European Social Fund (ESF)</i>	1.516.033.073
<i>European Agricultural Fund for Rural Development (EAFRD)</i>	2.026.222.500
<i>European Maritime and Fisheries Fund (EMFF)</i>	252.643.138
TOTAL	10.675.944.270

ESI Funds allocations for the Republic of Croatia for the period 2014-2020

In order to create the preconditions for the use of ESI Funds and, among other things, define in more detail the national strategic choices and consequent areas of investment, within the national programming process, Croatia has drawn up planning and programming documents, on the basis of which the ESI Funds will be used. Thus, the following programmes have been prepared for the financial period 2014-2020:

- Operational Programme Competitiveness and Cohesion 2014-2020
- Operational Programme Efficient Human Resources 2014-2020
- Rural Development Programme of the Republic of Croatia for the Period 2014-2020
- Operational Programme for Maritime Affairs and Fisheries 2014-2020

For further information on ESI Funds:

www.strukturnifondovi.hr

5. OPERATIONAL PROGRAMME COMPETITIVENESS AND COHESION 2014-2020

The Operational Programme Competitiveness and Cohesion 2014-2020 (OPCC) describes in more detail the national strategic choices and specifies measures and activities for the effective use of the European Regional Development Fund and the Cohesion Fund.

The European Regional Development Fund aims to strengthen economic and social cohesion in the European Union by reducing disparities between its regions.

The Cohesion Fund is aimed at Member States whose Gross National Income (GNI) per inhabitant is less than 90 % of the EU average and supports projects related to transport and the environment.

The total allocation of the European Regional Development Fund and the Cohesion Fund within the OPCC amounts to € 6.881 billion, which is further distributed according to the following prioritization and concentration of resources:

- Croatia will invest a high proportion of resources, more than € 3.5 billion, in environmental protection, climate change adaptation and network infrastructure (transport)
- More than € 2.7 billion has been allocated to the five priorities for competitiveness: research and innovation, information and communication technologies, the development of small and medium-sized enterprises, low-carbon economy, and education
- Over 45 % of the total allocation of the European Regional Development Fund will be used to support small and medium-sized enterprises, research and innovation.

For further information: Ministry of Regional Development and EU Funds

www.mrrfeu.hr

5.1. OPPORTUNITIES FOR THE FORESTRY SECTOR WITHIN THE FRAMEWORK OF THE OPERATIONAL PROGRAMME COMPETITIVENESS AND COHESION 2014-2020

The OPCC contains a total of 10 Priority Axes within which several areas of investment are especially relevant for the forestry sector. These are briefly outlined below.

5.1.1. *Specific objective 6iii3 - Demining, restoration and protection of forests and forest land in protected and Natura 2000 areas*

Within Priority axis 6 and Investment priority 6iii - **Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure**, Specific objective 6iii3 - **Demining, restoration and protection of forests and forest land in protected and Natura 2000 areas** has been identified. This specific objective will be implemented through projects aimed at the restoration and protection of forests and forest land in protected and Natura 2000 areas that are currently or were until recently mine suspected or mine contaminated.

ELIGIBLE ACTIVITIES

- Mine and UXO clearance, including mine awareness actions, ensuring safe public access to the sites that are mine contaminated or mine suspected, thus creating conditions for their sustainable management; awareness rising actions on biodiversity and the importance of the sustainable management of forests and forest land within Natura 2000 that are, or were until recently, mine suspected or mine contaminated and could not be managed
- Regeneration of forests and forest land primarily in protected and Natura 2000 areas especially by: substituting introduced foreign tree species with indigenous tree species; removal of IAS and potentially IAS; reforestation of neglected and degraded forest clearings and shrubs; restoration of degraded and damaged forest stands of indigenous species in accordance with the habitat types and their natural dynamics; restoration and conservation of endangered and protected rare meadows, in order to maintain and enhance their ecosystem services
- Establishment and improvement of small-scale forest firefighting infrastructure (fire roads, firebreaks, fire lookout towers, etc.) neglected for more than 20 years as a result of war and mine contamination, in order to protect forests and forest land and their biodiversity and ecosystem services from forest fires
- Establishment of baseline conditions, management goals, monitoring systems and small-scale pilot activities for the preservation of water resources, especially for wetland and floodplain forest areas



The main expected results to be achieved by this specific objective are: creating conditions that will enable forest management in accordance with forest management plans by mine clearance and removal of unexploded ordnances (UXOs); improving productivity, stability and biodiversity of forests by their restoration and protection; and promoting forest ecosystems services. This will create the conditions for the structural and economically sustainable development of these forests

BENEFICIARIES

- Legal entities managing state forests and forest land according to the Forest Act
- State/public mine action bodies
- Legal entities managing state water resources
- Public bodies for management of protected areas on national and regional/local level
- Regional self-government units
- Agencies for regional development

INTERMEDIARY BODIES

- INTERMEDIARY BODY I: Ministry of Environmental and Nature Protection
 - INTERMEDIARY BODY II: Environmental Protection and Energy Efficiency Fund
-

5.1.2. *Specific objective 3d1 - SMEs' development and growth improved in domestic and foreign markets*

Small and medium enterprises in forest-based industries may also apply for grants aimed to support the capacity of SMEs to grow in regional, national and international markets and to engage in innovation processes. The available funds will support the upgrading and expansion of technological capacities and business processes, suitable for the manufacturing and provision of competitive, high quality products and services with significant added value. Certain initiatives are designed for clusters and Business Support Organisations.

Support is available for the improvement of SME business development and technological readiness (open call published by the Ministry of Entrepreneurship and Crafts on 9.4.2014).

(<http://www.strukturnifondovi.hr/natjecaji/144>).

Support will be available for:

- Initial investments resulting in the setting up of a new or extension of the existing capacity, diversification of the output of a company into new products, including tangible (land, buildings and plants, machinery and equipment) and intangible assets
- Training and advisory services directly related to the new outputs of the company (production of goods and rendering services) and new production processes resulting from the initial investment

Further calls will provide:

- support to SMEs in meeting the applicable requirements of standards, conformity assessment and certification of products/services/processes by introducing quality, environmental, process-management and other control and management systems, thereby increasing access to the single and international markets
 - support for clusters, cooperatives and networks, including innovation clusters to enhance the interconnectivity of SMEs to strengthen their market position
 - support for SMEs in improving their competitiveness and efficiency through ICT. This will provide support for then introduction and implementation of e-business solutions, support for e-services creation and provision between enterprises (B2B) and support for the digitalisation of business services and products
 - support for the internationalisation of growing and innovative SMEs, including direct support for the participation in trade fairs or studies /consultancy services for the launch of a new or existing product in a new market). Business Support Organisations involved in internationalisation may also receive support for foreign markets analyses, the preparation of market entrance strategies for SMEs, cooperation with foreign BSOs, the promotion of SME internationalisation (including information campaigns) and support related to investment promotion and FDI facilitation
-

BENEFICIARIES

- Small and Medium Enterprises registered in Croatia
- Clusters, cooperatives and networks
- Business Support Organisations



5.1.3. *Specific Objective 3d2 - SMEs innovativeness enhanced*

Small and medium enterprises, including start-ups and spin-offs in forest-based industries may apply for grants for investments in implementation of new solutions - technologies, product, process and organisational innovations, including marketing innovations, design and innovation advisory services, including IPR and support services, which will result in innovative solutions, including non R&D based solutions. Support will be available for:

- investments indispensable for the commercialisation of R&D results into business activity and start production based on the implemented solution, covering the costs of tangible and intangible assets, industrial design, trainings and advisory services promoting entry on the market, investments related to implementation of new solutions - technologies, product, process and organisational innovations, including marketing innovations and design; aid for innovation advisory and support services, including ad patent applications and validation and related services

INTERMEDIARY BODIES

- INTERMEDIARY BODY I: Ministry of Entrepreneurship and Crafts
- INTERMEDIARY BODY II: Croatian Agency for SMEs, Innovation and Investment

5.1.4. *Specific Objective 4b1 - Increasing energy efficiency and use of RES in manufacturing industries*

Enterprises in forest-based manufacturing industries may also apply for grants for investments in infrastructure development for the use of renewable energy sources, including the switch from conventional to alternative (RES) energy. These include the installation of solar collectors, heath pumps, high efficient co-generation, actions designed to increase energy efficiency, infrastructure investments such as smart metering and physical refurbishment and the improvement of currently used technologies.

INTERMEDIARY BODIES

- INTERMEDIARY BODY I: Ministry of Economy
 - INTERMEDIARY BODY II: Environmental Protection and Energy Efficiency Fund
-

5.1.5. *Specific Objective 1 - Increased R&D capacities of R&D sector to perform excellent research and to serve the needs of economy*

Further opportunities that may be of benefit to the Forestry Sector in terms of innovation, research and development could be available under ***Specific Objective 1: Increased R&D capacities of R&D sector to perform excellent research and to serve the needs of economy.***

This specific objective aims at enhancing research organisations' capacities for performing excellent research for the further flow of knowledge and skills that can effectively contribute to social development and economic growth, notably in the Croatian Smart Specialisation Strategy priority areas, such as energy production & distribution for sustainable energy and renewables and manufacturing and industry in the agricultural, forestry and fishing sectors, and cross-cutting themes.

For further information:

Ministry of Science, Education and Sports and Ministry of Economy

6. OPERATIONAL PROGRAMME EFFICIENT HUMAN RESOURCES 2014-2020

This programme aims to contribute to creating jobs and strengthening social cohesion in Croatia. The total financial resources available are EUR 1.849 billion of which EUR 1.582 billion from the EU budget, including EUR 66 million from the Youth Employment Initiative.

6.1. OPPORTUNITIES FOR THE FORESTRY SECTOR WITHIN THE FRAMEWORK OF THE OPERATIONAL PROGRAMME EFFICIENT HUMAN RESOURCES 2014-2020

The European Social Fund will also provide opportunities for stakeholders in the Forestry Sector. Priorities will include:

- Measures to support access to sustainable and quality employment for job-seekers and inactive persons. An emphasis will be placed on the effectiveness and reach of active labour market measures by increasing the coverage for the young, long-term unemployed and older workers, as well as preventive measures for those facing the risk of losing their jobs in a changing environment. Special attention will be given to improve the situation of young people not in employment, education or training (NEET) aged 15 to 29.
- Investments to ensure an adequate match between the skills of the workforce with the labour market needs. Actions will improve the quality and efficiency of tertiary and equivalent education, enhance access to lifelong learning (LLL) and improve the labour market relevance of education and training systems.

As some examples that may directly benefit the Forestry Sector, support will be available for NEETs to access, training and work experience, assistance for entrepreneurship, direct employment subsidies and their participation in craft occupations. Support will be available for upgarding vocational education and training systems, including adaptation of curricula and the establishment and development of work based learning systems, such as apprenticeship schemes which may be relevant for all aspects of the Forestry Sector including forest-based industries.

For further information:

Ministry of Labour and Pension System <http://www.mrms.hr>

7. RURAL DEVELOPMENT PROGRAMME OF THE REPUBLIC OF CROATIA FOR THE PERIOD 2014-2020

Forestry is an important component of the development of rural areas of the European Union and is therefore listed as one of the priorities of investment within the range of measures of rural development programmes in the framework of Pillar 2 of the Common Agricultural Policy of the EU. Measures for forestry, in accordance with *Regulation (EU) Nr. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)*, represent the backbone of the resources for the new EU Forest Strategy: for forests and the forest-based sector (90% of the total financing of forestry in the EU).

The Rural Development Programme of the Republic of Croatia for the Period 2014-2020 represents the essential planning and programming document for the effective use of the European Agricultural Fund for Rural Development, which has allocated a total of EUR 2.026 billion to the Republic of Croatia for the financial period 2014-2020.

The Rural Development Programme of the Republic of Croatia 2014-2020 contains a total of 16 measures, out of which the following measures are particularly important for the forestry sector:

- M01 - *Knowledge transfer and information actions*
- M02 - *Advisory services, farm management and farm relief services*
- M04 - *Investments in physical assets*
- M06 - *Farm and business development*
- M08 - *Investments in forest area development and improvement of the viability of forests*

7.1. MEASURE M04 - INVESTMENTS IN PHYSICAL ASSETS

In the framework of Measure M04 - Investments in physical assets, within the Sub-measure 4.3 - support is available for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry. A brief overview of *Operation 4.3.3. - Investment in forest infrastructure* is given below.

7.1.1. *Operation 4.3.3. - Investment in forest infrastructure*

Within this operation, support will be given to projects for the construction of new and reconstruction of existing primary and secondary forest transport infrastructure (forest roads, forest skid roads) which will enable better access to forest areas.



BENEFICIARIES

- Private and public forest holders
- Public/state entities managing state forests and forest land according to the Forest Act
- Associations of private forest holders
- Local self-government units

ELIGIBLE COSTS

a) Material costs:

- cost of designing primary (forest roads) and secondary (skid roads) forest transport infrastructure (setting the zero line, setting axle polygons, field measurements, preliminary design of forest roads and bridges, general and detailed design of forest roads and other forest infrastructure etc.)
- costs of construction of primary (forest roads) and secondary (skid roads) forest transport infrastructure (preparatory works, works on soil improvement, works on lower structure, works on the upper structure, works on surface and underground drainage objects, works on construction of bridges and other forest infrastructure, stone-concrete works, recovery of soil and landslides, other works on construction of forest infrastructure), cost of materials, machines works and labour costs, etc.



- cost of reconstruction of forest roads, bridges and other forest infrastructure (reconstruction lower structure, reconstruction of upper structure, reconstruction of surface and underground drainage objects, reconstruction of bridges, reconstruction of retaining and facing walls, etc.), cost of materials, machine works and labour costs, etc.
- purchase of forest and other land for project implementation purposes for a maximum of 10 % of the total eligible expenditures

b) General costs:

- services of consultants, costs required for project preparation and implementation including Elaborate of Forest Road Network Density and Efficiency, technical construction/reconstruction project documentation, supervising costs for construction and reconstruction, natural impact studies (appropriate assessment regarding Natura 2000 areas) and other project and technical documentation required for preparation and implementation of the investment, for a maximum of 10 % of the total eligible expenditures

ELIGIBILITY CONDITIONS

- Investments within the framework of this operation must be in accordance with the following forest management plans or equivalent instrument as established in Croatia, as follows:
 - a) for state-owned forests managed by the state company in accordance with the Forest Act, the investment must be in accordance with the Forest Management Unit Plan or the Karst Forest Management Unit Plan

- b) for state-owned forests managed by other state administration bodies and legal persons established by the Republic of Croatia, the investment must be in accordance with the Special Purpose Forests Management Plan
 - c) for privately-owned forests, investments must be in accordance with the Private Forest Management Plan or the Elaborate of Silvicultural Works for Private Forests issued by the Advisory Service
- Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture
 - Forest holder associations must be registered in accordance with national legislation
 - Support under this operation is limited to roads used primarily for forestry purposes
 - When applying for support within this type of operation, the beneficiary must submit an Elaborate of Forest Road Network Density and Efficiency as part of the application form, prepared by an authorised person. In the applicable Elaborate of Forest Road Network Density and Efficiency, the beneficiary must demonstrate the increase of the forest road network efficiency as justification for the investment.

AMOUNTS AND SUPPORT RATES

- The minimum value of support per project is EUR 10.000
- The maximum value of support per project is EUR 1.000.000 million
- Intensity of the support is 100 % of total eligible expenditures

7.2. MEASURE M08 - INVESTMENTS IN FOREST AREA DEVELOPMENT AND IMPROVEMENT OF THE VIABILITY OF FORESTS

In the framework of Measure M08 - Investments in forest area development and improvement of the viability of forests, within Sub-measure 8.5 - support for investments improving the resilience and environmental value of forest ecosystems and Sub-measure 8.6 - support for investments in forestry technologies and in processing, mobilising and marketing of forest products, *five specific operations* are programmed. On the basis of these operations, projects aimed at the following will be supported:

- Conversion of degraded forest stands, structurally degraded forest stands per tree species and forest cultures into mixed high forest stands of indigenous tree species
- Modernisation of the existent and the introduction of innovative and environmentally friendly technologies, machines and equipment, as well as increasing the safety of work processes in wood harvesting, silvicultural works and pre-industrial wood processing

- Promotion of timber and non-timber forest products
- Increase of competitiveness of the forestry sector
- Job creation in the forestry sector

7.2.1. *Operation 8.5.1. - Conversion of degraded forest stands and forest cultures*

Within the framework of this operation, support will be given to the following main types of projects:

- Conversion of coppice forests, shrubs, shrubbery and other degraded forms of forest stands into high forest stands
- Conversion of forest cultures and plantations into mixed high forest stands of indigenous tree species
- Conversion of forest stands whose tree species structure has been degraded into mixed forest stands due to bad management in the past with a favourable share of primary tree species.

BENEFICIARIES

- Private and public forest holders
- Public/state entities managing state forests and forest land according to the Forest Act
- Associations of private forest holders according to the national legislation



ELIGIBLE COSTS

This operation will be implemented on the basis of standard costs and, depending on the conversion type, the following amounts of support can be obtained:

A) Conversions with broadleaved species on the continent	
<i>A.1. Seedlings planting along with enclosing with fence</i>	<i>EUR 8.344</i>
<i>A.2. Seed sowing along with enclosing with fence</i>	<i>EUR 6.448</i>
<i>A.3. Seedlings planting using the tree shelters</i>	<i>EUR 7.535</i>
B) Conversions with coniferous species on the continent	
<i>B.1. Seedlings planting along with enclosing with fence</i>	<i>EUR 6.080</i>
<i>B.2. Seedlings planting using tree shelters</i>	<i>EUR 8.794</i>
C) Conversions with broadleaved species in the karst areas	
<i>C.1. Seedlings planting along with enclosing with fence</i>	<i>EUR 12.927</i>
<i>C.2. Seedlings planting using tree shelters</i>	<i>EUR 8.882</i>
D) Conversions with coniferous species in the karst areas	
<i>D.1. Seedlings planting along with enclosing with fence</i>	<i>EUR 5.464</i>
<i>D.2. Seedlings planting using tree shelters</i>	<i>EUR 7.327</i>

ELIGIBILITY CONDITIONS

- Investments within the framework of this operation must be in accordance with the following forest management plans or equivalent instrument as established in Croatia, as follows:
 - a) for state-owned forests managed by the company in accordance with the Forest Act, the investment must be in accordance with the Forest Management Unit Plan or the Karst Forest Management Unit Plan





b) for state-owned forests managed by other state administration bodies and legal persons established by the Republic of Croatia the investment must be in accordance with the Special Purpose Forests Management Plan

c) for privately-owned forests investments must be in accordance with the Private Forest Management Plans or the Elaborate of Silvicultural Works for Private Forests issued by Advisory Service

- Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture
- Forest holder associations must be registered in accordance with national legislation
- When applying within this type of operation, each beneficiary must submit the Conversion Plan as part of the application form prepared by an authorised person, which defines one out of nine methods for performing the conversion for which standard costs have been prepared. The Conversion Plan shall prescribe the method of performing the conversion and the selection of the tree species as well as determine the adequate technology.

AMOUNTS AND SUPPORT RATES

- The minimum value of support per project is EUR 5.000
- The maximum value of support per project is EUR 700.000
- Intensity of the support is 100 %

7.2.2. *Operation 8.5.2. - Establishment and improvement of walking trails, look-out points and other small-scale investments*

Within the framework of this operation, support will be given to projects for the construction and equipping of walking trails, small recreational facilities, signposting, information boards, shelters, look-out points etc, which will make the recreational, tourism and health benefits of forests more accessible to the population, thereby increasing public welfare and the recreational values of forests as well as public awareness of the importance of conservation and sustainable management of forest ecosystems. Projects under this operation will emphasize specific parts of forest ecosystems or areas of special importance.

BENEFICIARIES

- Private and public forest holders
- Public/state entities managing state forests and forest land according to the Forest Act
- Associations of private forest holders according to the national legislation
- Civil society associations and bodies active in nature protection



ELIGIBLE COSTS

- Materials, equipment, services and works, and other eligible small-scale infrastructure with the objective of establishing educational trails, look-out points and small-scale recreational facilities for public use (e.g. trail improvements, information signposts, billboards, canopies, natural wood furniture in picnic areas etc.)
- Services of consultants and other general costs required for project preparation and implementation including business plans, feasibility studies, CBA analyses, other project and technical documentation such as environmental and natural impact studies (appropriate assessment regarding Natura 2000 areas), etc., for a maximum of 10 % of the total eligible expenditures

- General costs incurred before submission of the application are eligible providing they were incurred from 1st January 2014

ELIGIBILITY CONDITIONS

- Beneficiaries within the framework of this operation must obtain the prior consent of the natural or legal persons who manage the forests and forest land on which the project is planned.



AMOUNTS AND SUPPORT RATES

- The minimum value of support per project shall be EUR 5.000
- The maximum value of support per project shall be EUR 100.000
- Intensity of the support for investments is 100 % of total eligible costs



7.2.3. *Operation 8.6.1. - Modernisation of technologies, machines, tools and equipment for wood harvesting and silvicultural works*

Within the framework of this operation, support will be given to projects aimed at modernizing the existing and introducing new and environmentally friendly technologies, machines, tools and equipment for wood harvesting and silvicultural works. Wood harvesting works include felling, skidding, extraction, cable yarding of wood, timber haulage and wood biomass production (woodchips).

BENEFICIAIRES

- Private forest holders
- Associations of private forest holders according to the national legislation
- Crafts, companies, micro, small and medium-sized enterprises, registered in accordance with national legislation

ELIGIBLE COSTS

- Purchase of machines, tools, devices and equipment for wood felling (harvesters, chainsaws, etc.)
- Purchase of machines, tools, devices and equipment for skidding, extraction and cable yarding of wood (forwarders, skidders, cableways, tractor assemblies, etc.)





- Purchase of machines, tools, devices and equipment for wood biomass production (chippers, log splitters, etc.)
- Purchase of machines, tools, devices and equipment for timber haulage (trailers, cranes, etc.)
- Purchase of machines, tools, devices and equipment for silvicultural works for preparation of forest land for sowing or planting (mulchers, etc.)
- Construction costs for facilities and purchase of equipment for the storage, protection and drying of timber products (silos, woodchip storage, loaders, atomisers, etc.)
- Services of consultants and other general costs required for project preparation and implementation including business plans, feasibility studies, CBA analyses, other project and technical documentation such as environmental and natural impact studies, etc., for a maximum of 10 % of the total eligible expenditures
- General costs incurred before submission of the application are eligible providing they were incurred from 1st January 2014

ELIGIBILITY CONDITIONS

- Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture
- Forest holder associations must be registered in accordance with national legislation
- Crafts, companies, micro, small and medium-sized enterprises must be licensed contractors for forestry works by Croatian Chamber of Forestry and Wood Technology Engineers
- When applying for support within this type of operation, beneficiary must submit business plan as part of the application form

AMOUNTS AND SUPPORT RATES

- The minimum value of support per project shall be EUR 5.000
 - The maximum value of support per project shall be EUR 700.000
 - Intensity of the support is 50 % of total eligible costs
-

7.2.4. *Operation 8.6.2. - Modernisation of technologies, machines, tools and equipment for pre-industrial wood processing*

Within the framework of this operation, support will be given to projects for modernizing the existing and introducing efficient and environmentally friendly technologies, machines, tools and equipment for pre-industrial wood processing.

- Pre-industrial wood processing in the Republic of Croatia is the processing performed by SMEs registered for performing wood sawing and planning activities as well as the production of intermediate wood products, and such processing includes sawing, planning, drying, etc. (National Classification of Economic Activities 2007 Area C; Section 16; Processing wood and products made of wood and cork, except furniture; production of products made of straw and weaving materials). The highest level of production which is considered prior to industrial processing is planed dry elements and the maximum yearly capacity of roundwood input at the level of the beneficiary must not exceed 10.000 m³.

BENEFICIARIES

- Crafts, companies, micro, small and medium-sized enterprises, registered for wood processing activities in accordance with national legislation

ELIGIBLE COSTS

- Purchase of machines, tools, devices and equipment for pre-industrial wood processing (planers, saws, etc.)



- Purchase of machines, tools, devices and equipment for pellet and briquette production (briquette compactor, pellet compactor, etc.)
- Installation and/or purchase of information and communications technology (ICT) in wood harvesting and pre-industrial wood processing (software for the optimisation of timber assortment utilisation, etc.)
- Construction costs for facilities and purchase of equipment for drying, steaming, storage and protection of timber products (drying facilities, steaming facilities, silos, woodchip storage, loaders, atomisers, etc.)
- Services of consultants and other general costs required for project preparation and implementation including business plans, feasibility studies, CBA analyses, other project and technical documentation such as environmental and natural impact studies, etc., for a maximum of 10 % of the total eligible expenditures
- General costs incurred before submission of the application are eligible providing they were incurred from 1st January 2014

ELIGIBILITY CONDITIONS

- Crafts, companies, micro, small and medium-sized enterprises must be registered for wood processing activities in accordance with the national legislation
- Maximum yearly capacity of roundwood input level of beneficiary must not exceed 10.000 m³

AMOUNTS AND SUPPORT RATES

- The minimum value of support per project shall be EUR 10.000
- The maximum value of support per project shall be EUR 1.000.000
- Intensity of the support for investments is 50 % of total eligible costs



7.2.5.Operation 8.6.3. - Marketing of timber and non-timber forest products

Within the framework of this operation, support will be given to projects for the marketing of timber and non-timber forest products and informing the public of the possibilities, advantages and positive effects of using these products, which will bring long-term improvements to rural areas, proportional to the investments in the development and utilisation of this resource.



BENEFICIARIES

- Private forest holders
- Private forest holder associations
- Micro, small and medium-sized enterprises
- Local government and self-government units and their associations

ELIGIBLE COSTS

- Investment costs for the marketing of timber and non-timber (fungi, forest fruit, etc.) forest products (e.g. packaging and labelling machinery, show-rooms and equipment, display units etc.)
- Services of consultants and other general costs required for project preparation and implementation (e.g. marketing studies, CBA analyses, business plans, pre-feasibility studies), for a maximum of 10 %
- General costs incurred before submission of the application are eligible providing they were incurred from 1st January 2014

ELIGIBILITY CONDITIONS

- Private forest holders must be registered in the Register of Private Forest Holders at the Ministry of Agriculture
 - Forest holder associations must be registered in accordance with national legislation
-

AMOUNTS AND SUPPORT RATES

- The minimum value of support per project shall be EUR 5.000
- The maximum value of support per project shall be EUR 30.000
- Intensity of the support for investments is 50 % of total eligible costs



7.3. MEASURE M06 - FARM AND BUSINESS DEVELOPMENT

The creation and development of new economic activities in the form of new farms, new businesses or investments in non-agricultural activities are essential for the development and competitiveness of rural areas as well as to reverse the negative population trend in rural areas. Farms may use the support under specific types of operations under this measure to diversify into providing forest-related services in the rural area.

➤ 6.2 - Support for investments in establishing non-agricultural activities

Registered agricultural holdings may apply for a start-up aid grant of EUR 50,000 for starting new non-agricultural activities on agricultural holdings situated in rural area as defined within the Rural Development Programme. The start up activity must be located in settlements with up to 5.000 inhabitants and within the area of the local self-government unit where the agricultural holding is registered. The non-agricultural activities may include forestry-related services such as forest machinery repair shops. Support is granted on the basis of a business plan.

➤ 6.4 Development of non-agricultural activities in rural areas

Registered agricultural holdings of at least 2000 S.O. may apply for a grant for developing non-agricultural activities on agricultural holdings situated in the rural area as defined within the Rural Development Programme. The activity must be located in settlements with up to 5.000 inhabitants and within the area of the local self-government unit where the agricultural holding is registered. The non-agricultural activities may include forestry-related services such as forest machinery repair shops.

Support is granted as “*de minimis*” aid with a support rate of 70 % of eligible costs. Eligible costs include the construction or improvement of immovable property, the purchase of new machinery and equipment up to the market value of the property and general costs up to a ceiling of 10%.

The level of support may range from a minimum of public support of EUR 3.500 to a maximum of EUR 200.000.

7.4. *MEASURE M01* - KNOWLEDGE TRANSFER AND INFORMATION ACTIONS

Under this Measure, the Advisory Service will offer training courses and workshops for private forest holders on sustainable forest management.

7.5. *MEASURE M02* - ADVISORY SERVICES, FARM MANAGEMENT AND FARM RELIEF SERVICES

Under this Measure, the Advisory Service will provide tailored advice on sustainable forest management to private forest holders. This shall include advice related to climate change and mitigation, in particular on the guidelines of Kyoto forest management rules and Land Use Change and Forestry.

For further information on the available training courses and access to advice: Advisory Service (www.savjetodavna.hr).



7.6. PUBLICATION OF CALLS AND SUBMISSION OF APPLICATIONS FOR SUPPORT

- The **Managing Authority** of the Rural Development Programme of the Republic of Croatia for the Period 2014-2020 is the Ministry of Agriculture, Directorate for Management of EU Funds for Rural Development, EU and International Cooperation, while the operational implementation of the Programme is carried out by the Paying Agency for Agriculture, Fisheries and Rural Development.
- The **Paying Agency for Agriculture, Fisheries and Rural Development** in line with the relevant ordinance publishes calls for proposals for the forestry sector (application for support) within the framework of implementation of the measures from the Rural Development Programme of the Republic of Croatia for the Period 2014-2020. Ordinances are available on the web page of the Official Gazette (www.nn.hr), Ministry of Agriculture, Directorate for Management of EU Funds for Rural Development, EU and International Cooperation (www.mps.hr) and the Paying Agency for Agriculture, Fisheries and Rural Development (www.apprrr.hr).
- The beneficiary must submit the application for support electronically via the AGRONET system.

The **AGRONET** system is an electronic application developed to help farms and other beneficiaries in obtaining support in agriculture, fisheries and rural development.

- As a prerequisite for application within a call for proposals, the beneficiary must be registered in the **Register of Beneficiaries of Support in Rural Development and Fisheries** so that the Paying Agency can assign a user name and password for applications through the AGRONET system. A Guide to registration in the Register of Beneficiaries of Support in Rural Development and Fisheries is available on the web page of the Paying Agency (www.apprrr.hr).
- The procedure and conditions for submitting the applications for support and for payment requests are published on the web page of the Paying Agency for Agriculture, Fisheries and Rural Development (www.apprrr.hr). Detailed instructions for submitting the application for support can be found in the relevant ordinance, and the procedure of submitting the application through the AGRONET system is clarified in the Guide for Beneficiaries of Support from the European Agricultural Fund for Rural Development.

8. EUROPEAN TERRITORIAL COOPERATION

European Territorial Cooperation is one of the two goals of Cohesion Policy 2014-2020 and it provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different Member States to reduce disparities between regions, reinforce cohesion and encourage optimal economic development. The challenges facing the forestry sector today are not contained by borders. Joining forces and overcoming borders helps better address similar problems and threats as well as promote more balanced development, as well as fostering integration and inclusion as well as avoiding duplication of efforts and resources.

The Republic of Croatia participates in all three dimensions of European Territorial Cooperation:

- *I. Cross-border cooperation*
- *II. Transnational Cooperation*
- *III. Interregional Cooperation*

A wide range of public and private beneficiaries can participate in European Territorial Cooperation partnerships depending on the Programme Priorities and specific objectives. Indications have been given below and calls are published on the Programme websites that also provide partner and project search tools. Interested potential beneficiaries are advised to contact the respective Joint Secretariats of the Programmes and the National Authority of the Republic of Croatia for further details.

National Authority: Information about all the cooperation programmes that the Republic of Croatia participates in is available from the Ministry of Regional Development and EU Funds, as well as the Managing Authorities of each programme.

For further information:

Ministry of Regional Development and EU Funds

www.mrrfeu.hr

First level Control: the Agency for Regional Development of the Republic of Croatia is the First Level Control body for Croatian partners in territorial cooperation programmes.

8.1. CROSS-BORDER COOPERATION

Cross-border cooperation tackles common challenges and handicaps - such as risk prevention and emergency response activities - identified jointly in the border regions and fosters integrated cooperation approaches to exploit together untapped growth potential and enhance the quality of life to create strong economic and social poles. In particular, cross-border actions are encouraged in the fields of entrepreneurship, improving joint management of natural resources, supporting links between urban and rural areas, improving access to transport and communication networks, developing joint use of infrastructure, administrative cooperation and capacity building, employment, community interaction, culture and social affairs. The minimum requirement for a cross-border project partnership is the participation of 2 beneficiaries from at least 2 countries.

8.1.1. Cross-border Cooperation Programme Italy - Croatia 2014-2020

The programme is currently under preparation. It covers the following NUTS III areas:

- Italy: Provinces of Teramo, Pescara, Chieti (Abruzzo), Campobasso (Molise), Brindisi, Lecce, Foggia, Bari, Barletta-Andria-Trani (Puglia), Venezia, Padova, Rovigo (Veneto), Pordenone, Udine, Gorizia, Trieste (Friuli Venezia Giulia), Ferrara, Ravenna, Forlì-Cesena, Rimini (Emilia Romagna), Pesaro e Urbino, Ancona, Macerata, Ascoli Piceno, Fermo (Marche);
- Croatia: Counties of Primorsko-goranska, Ličko-senjska, Zadarska, Šibensko-kninska, Splitsko-dalmatinska, Istarska, Dubrovačko-neretvanska (Adriatic Croatia region), Karlovačka (Continental Croatia region).

8.1.2. Cross-border Cooperation programme Hungary-Croatia 2014-2020

The Programme aims to support selected cooperative strategic actions and pilot projects to enhance economic cooperation and the business environment, preserve environmental and natural assets, foster networks among local and regional administrations and improve communication between educational and training institutions and key local economic actors. The total Programme budget is just under 74 million euros.

Beneficiaries from the following NUTS III counties are eligible:

- Hungary: Zala, Baranya and Somogy
-

- Croatia: Medimurska, Varaždinska, Koprivnicko-križevacka, Bjelovarsko-bilogorska, Viroviticko-podravska, Požeško-slavonska, Osječko-baranjska and Vukovarsko-srijemska

The Programme has been submitted to the EU Commission and is not yet approved.

It includes the following Priorities:

Priority Axis	Specific Objective
1. Economic development	1.1 Fostering value added business cooperations between SMEs operating on different sides of the border
2. Sustainable use of natural and cultural assets	2.1 Convert the region's natural and cultural heritage assets to tourism attractions with income generating capabilities) 2.2 Restoring the ecological diversity in the border area
3. Cooperation	3.1 Involvement of more social and institutional actors in crossborder cooperation
4. Education	4.1 Improve the role of educational institutions as intellectual centres for increasing the specific local knowledge-base in the region

Examples of areas of interest for the Forestry Sector:

- **Specific objective 2.1 Convert the region's natural and cultural heritage assets to tourism attractions with income generating capabilities** for non-profit Forest Authorities and associations;
- **Specific Objective 2.2 Restoring the ecological diversity in the border area** for the restoration of forest reserves.

Managing Authority: Hungarian Prime Minister's Office - Deputy State Secretariat for International Affairs

For further information: <http://www.hu-hr-ipa.com/>

8.1.3. Slovenia-Croatia cross-border cooperation Programme 2014-2020

The primary focus of the Programme is to exploit its natural and cultural values to deliver innovative, smart and effective solutions that help preserve and improve the quality of environment and its diverse identity on one hand, and stimulate its socio-economic potentials on the other. Increasing the capacities for institutional cooperation at all levels shall ensure a safe and vibrant area.

The total Programme budget is over 55 million euro.

Beneficiaries from the following NUTS 3 areas are eligible:

- Slovenia: Pomurska region, Podravska region, Savinjska region, Zasavska region, Posavska region, Jugovzhodna Slovenija region, Osrednjeslovenska region, Primorsko-notranjska region, Obalno-kraška region;
- Croatia: Primorsko-goranska County, Istarska County, City of Zagreb, Zagrebačka County, Krapinsko-zagorska County, Varaždinska County, Međimurska County and Karlovačka County.

Priority Axis	Specific Objective
1. Integrated flood risk management in transboundary river basins	1.1 Flood risk reduction in the transboundary Dragonja, Kolpa/Kupa, Sotla/Sutla, Drava, Mura and Bregana river basins
2. Preservation and sustainable use of natural and cultural resources	2.1 Mobilizing natural and cultural heritage for sustainable tourism development 2.2 Protecting and restoring biodiversity and promoting ecosystem services
3. Healthy, safe and accessible border areas	3.1 Building partnerships among public authorities and stakeholders for healthy, safe and accessible border areas

Examples of areas of interest for the Forestry Sector:

- **Specific objective 2.2 Protecting and restoring biodiversity and promoting ecosystem services** for forest management institutions

Managing Authority: Government Office of the Republic of Slovenia for Development and European Cohesion Policy - European Territorial Cooperation and Financial Mechanism Office, Cross-border Programmes Management Division

For further information: http://www.si-hr.eu/start_en/

8.1.4. Instrument for Pre-Accession Assistance (IPA II) 2014-2020

The Instrument for Pre-Accession Assistance (IPA II) 2014-2020 supports cross-border cooperation between IPA beneficiaries and Member States.

8.1.4.1. IPA II Cross-border Cooperation Programme Croatia - Serbia 2014-2020

The overall aim of the cross-border programme is to strengthen the social, economic and territorial development of the programme area through implementation of joint interventions in the areas of health and social care sector, environment protection and sustainable energy, development of sustainable tourism and strengthening of competitiveness and business environment.

The total Programme budget is over 40 million euros.

Beneficiaries from the following NUTS III or equivalent areas are eligible:

- Croatia: Osječko-baranjska county, Vukovarsko-srijemska county, Brodsko-posavska county, Požeško-slavonska county;
- Serbia: North Bačka district, West Bačka district, South Bačka district, Srem district, Mačva district.

Priority Axis	Specific Objective
<i>1. Improving the quality of public health and social services in the programme area</i>	<i>1.1 To improve the quality of facilities, services and skills in the area of public health and social care</i>
<i>2. Protecting the environment and biodiversity, improving risk prevention and promoting sustainable energy and energy efficiency</i>	<i>2.1 To enforce integrated cross-border monitoring/management systems for key existing risks and environmental and biodiversity protection</i> <i>2.2 To promote the use of sustainable energy and energy efficiency.</i>
<i>3. Contributing to the development of tourism and preserving cultural and natural heritage</i>	<i>3.1 To strengthen, diversify and integrate the cross-border tourism offer and better manage cultural and natural heritage assets</i>
<i>4. Enhancing competitiveness and developing business environment in the programme area</i>	<i>4.1 To improve competitiveness of the programme area through strengthening cooperation between business support institutions, education and research organisations and entrepreneurs with aim to develop new products/services/patents/ trademarks in the programme area</i>

Examples of areas of interest for the Forestry Sector:

➤ **Specific objective 2.1 To enforce integrated cross-border monitoring/management systems for key existing risks and environmental and biodiversity protection** includes many potential actions for forestry such as:

- developing joint initiatives for the management of environmental and/or biodiversity protection
- developing and implementing pilot and demonstration projects including innovative approaches to risk prevention and mitigation

- developing and implementing joint plans for the protection of endangered species and protection and revitalisation of habitats
- joint valorisation and promotion of ecosystems and NATURA 2000 sites in the programme area
- developing and implementing joint awareness raising activities, information campaigns, education and training in relation to the environment and/or biodiversity protection
- promoting cross-border cooperation between organisations involved in environmental and biodiversity protection and the joint management of protected and NATURA 2000 sites
- establishing and/or improving green infrastructure and ecosystem services

Managing Authority: Agency for Regional Development of the Republic of Croatia -Directorate for Managing Cooperation Programmes and Regional Development

For further information: <http://www.arr.hr/eu-programi-2014-2020/ipa-program-prekogranicne-suradnje-hrvatska-srbija>

8.1.4.2. IPA II Cross-border Cooperation Programme Croatia - Bosnia and Herzegovina-Montenegro 2014-2020

The overall aim of the cross-border programme is to increase socio-economic growth of the programme area through interventions in the areas of health and social care, environment and nature protection, risk prevention and development of sustainable tourism and business environment.

The total Programme budget is over 67 million euros.

Beneficiaries from the following areas are eligible:

- Croatia (counties): Brodsko-Posavska, Vukovarsko-srijemska, Karlovačka, Sisačko-Moslavačka, Ličko-Senjska, Zadarska, Šibensko-Kninska, Splitsko-Dalmatinska, Dubrovačko-Neretvanska, Bjelovarsko-bilogorska, Požeško-slavonska, Zagrebačka;
- Bosnia and Herzegovina: Brčko District of Bosnia and Herzegovina and 109 municipalities: Bijeljina, Teočak, Ugljevik, Lopare, Tuzla, Lukavac, Čelić, Srebrenik, Petrovo, Gračanica, Doboj Istok, Gradačac, Pelagićevo, Donji Žabar, Orašje, Domaljevac-Šamac, Šamac, Modriča, Vukosavlje, Odžak, Brod, Srebrenica, Bratunac, Milići, Han-Pijesak, Vlasenica, Kladanj, Šekovići, Kalesija, Osmaci, Zvornik, Banovići, Živinice, Sapna, Prnjavor, Srbač, Laktaši, Čelinac, Kotor Varoš, Knežev, Dobretići, Šipovo, Jajce, Jezero, Mrkonjić Grad, Banja Luka, Gradiška, Kozarska Dubica, Prijedor, Oštra Luka, Sanski Most, Ključ, Ribnik, Glamoč, Bosansko Grahovo, Drvar, Istočni Drvar, Petrovac, Bosanski Petrovac, Bosanska Krupa, Krupa na Uni, Novi Grad, Kostajnica, Bužim, Velika Kladuša, Cazin, Bihać, Doboj, Derventa, Prozor/Rama, Konjic, Nevesinje, Gacko, Bileća, Trebinje, Ravno, Ljubinje, Berkovići, Mostar, Jablanica, Kupres, Kupres (RS), Tomislavgrad, Posušje, Široki Brijeg, Čitluk, Stolac, Neum, Čapljina, Ljubuški, Grude, Livno, Istočni Mostar, Doboj Jug, Kakanj, Maglaj, Tešanj, Usora, Zavidovići, Zenica, Žepče, Bugojno, Busovača, Donji Vakuf, Gornji Vakuf-Uskoplje, Novi Travnik, Travnik, Vitez, Teslić;

- Montenegro: Herceg Novi, Kotor, Tivat, Budva, Bar, Ulcinj, Cetinje, Danilovgrad, Nikšić, Podgorica.

Priority Axis	Specific Objective
1. Improving the quality of the services in public health and social care sector	1.1 To improve the quality of the services in public health and social care sector across the borders
2. Protecting the environment and nature, improving risk prevention and promoting sustainable energy and energy efficiency	2.1 To promote and improve environment and nature protection and management systems for risk prevention 2.2 To promote utilization of renewable energy resources and energy efficiency.
3. Contributing to the development of tourism and preserving cultural and natural heritage	3.1 To strengthen and diversify the tourism offer through cross border approaches 3.2 To enable a better management and sustainable use of cultural and natural heritage
4. Enhancing competitiveness and developing business environment in the programme area	4.1 To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area

Examples of areas of interest for the Forestry Sector:

- **Specific objective 2.1 To promote and improve environment and nature protection and management systems for risk prevention** includes many potential actions for forestry such as:

- developing and implementing joint environmental management initiatives. (e.g. monitoring and exchange of data, biodiversity and geo-diversity maps, implementing joint initiatives for designation of cross-border habitats, management plans for nature protected areas of cross-border interest)
- awareness raising activities, information campaigns and education
- improving emergency preparedness and risk prevention systems that address existing as well as potential cross-border hazards (fires, floods, draughts, hazardous pollution events and other natural disasters)
- cross-border measures and tools for reducing or mitigating environmental problems and risks, including small-scale infrastructure and equipment
- implementing joint interventions in case of accidents and natural disasters, including small-scale infrastructure and equipment

Managing Authority: Agency for Regional Development of the Republic of Croatia - Directorate for Managing Cooperation Programmes and Regional Development

For further information:

<http://www.arr.hr/eu-programi-2014-2020/ipa-program-prekogrnicne-suradnje-hrvatska-srbija>

8.2. TRANSNATIONAL COOPERATION

Transnational cooperation promotes cooperation among greater European regions from several EU Member States, including those surrounding sea basins (e.g. Adriatic-Ionian, Mediterranean) or rivers (e.g. Danube) and facilitates coordinated strategic responses to joint challenges like flood management, transport and communication corridors, international business and research linkages, and urban development.

The minimum requirement for a transnational project partnership is the participation of 3 beneficiaries from at least 3 eligible countries.

8.2.1. Mediterranean Transnational Cooperation Programme 2014-2020

The MED Programme covers 57 regions in 10 EU countries (Croatia, Cyprus, France, Greece, Italy, Malta, Portugal, Slovenia, Spain, UK-Gibraltar) and 3 IPA Countries (Albania, Bosnia and Herzegovina, Montenegro). The main purpose of the MED Programme is to contribute to the long-term development of the Mediterranean area and strengthen transnational cooperation between regions and participating countries. This shall take into account the potential and challenges of specific sectors related to the blue and green growth such as tourism, agriculture and agribusiness, marine and environmental industries, energy, transports but also creative industries and social economy that are especially important for the MED area. In these different sectors, the objective is to better identify development potential and challenges at the transnational level, to support stakeholders promoting innovation and help them organise, share experiences and knowledge with structures from other regions and countries.

The total Programme budget is 265 million euro.

This objective will be supported by the implementation of the following 4 Priority Axes:

Priority Axis	Specific Objective
<i>1. Promoting Mediterranean innovation capacities to develop smart and sustainable growth</i>	<i>1.1 To increase transnational activity of innovative clusters and networks of key sectors of the MED area</i>
<i>2. Fostering low carbon strategies and energy efficiency in specific MED territories: cities, islands and remote areas</i>	<i>2.1 To raise capacity for better management of energy in public buildings at transnational level</i> <i>2.2 To increase the share of renewable local energy sources in energy mix strategies and plans in MED territories</i> <i>2.3 To increase capacity to use existing low carbon transport systems and multimodal connections among them</i>
<i>3. Protecting and promoting Mediterranean natural and cultural resources</i>	<i>3.1 To enhance the development of a sustainable and responsible coastal and maritime tourism in the MED area</i> <i>3.2 To maintain biodiversity and natural ecosystems through strengthening the management and networking of protected areas</i>
<i>4. A shared Mediterranean Sea</i>	<i>4.1 To support the process of developing multilateral coordination frameworks and strengthening the existing ones in the Mediterranean for joint responses to common challenges</i>

Examples of areas of interest for the Forestry Sector:

- **Specific objective 3.2 To maintain biodiversity and natural ecosystems through strengthening the management and networking of protected areas** for the management of protected forest areas.

Co-financing rates are 85% (or 50% in some cases for SMEs).

Managing Authority: Provence Alpes Côte d'Azur Region, France

For further information: www.programmemed.eu

8.2.2. Danube Transnational Cooperation Programme 2014-2020

The Danube Programme area covers nine Member States (Austria, Bulgaria, Croatia, Czech Republic, Hungary, Germany – Baden-Württemberg and Bayern, Romania, Slovakia and Slovenia) and five non-EU Member States (Bosnia and Herzegovina, Moldova, Montenegro, Serbia and Ukraine – 4 provinces), including 69 NUTS2 regions. In order to achieve a higher degree of territorial integration of the very heterogeneous Danube region, the transnational cooperation programme will act as a policy driver and pioneer to tackle common challenges and needs in specific policy fields through the development and practical implementation of policy frameworks, tools and services and concrete pilot investments, seeking strong complementarities with the broader EU Strategy for the Danube Region.

The total Programme budget is just under 222 million euro.

Priority Axis	Specific Objective
1. Innovative and socially responsible Danube region	1.1 Improve framework conditions for innovation 1.2 Increase competences for business and social innovation
2. Environment and culture responsible Danube region	2.1 Foster sustainable use of natural and cultural heritage and resources 2.2 Foster the restoration and management of ecological corridors 2.3 Strengthen transnational water management and flood risk prevention 2.4 Improve preparedness for disaster risk management
3. Better connected and energy responsible Danube region	3.1 Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas 3.2 Improve energy security and energy efficiency
4. Well governed Danube region	4.1 Improve institutional capacities to tackle major societal challenges

Examples of areas of interest for the Forestry Sector:

- **Specific objective 2.4 Improve preparedness for disaster risk management** for capacity-building and knowledge transfer for the disaster management cycle of forest fires prioritising prevention policies.

Co-financing rates are 85%.

Managing Authority: Office for National Economic Planning, Hungary

For further information: www.southeast-europe.net/en/about_see/danubeprogramme

8.2.3. ADRION - Adriatic Ionian Programme 2014-2020

ADRION includes 31 regions from 4 EU Member States (Croatia, Greece, Italy, Slovenia) and 4 IPA countries (Albania, Bosnia Herzegovina, Montenegro, Serbia). The overall objective of the ADRION programme is to act as a policy driver and governance innovator, fostering European integration among Member and non-Member states, utilising the rich natural, cultural and human resources surrounding the Adriatic and Ionian seas and enhancing economic, social and territorial cohesion in the programme area.

The programme budget amounts to just under 118 million euro.

Priority Axis	Specific Objective
1. Innovative and Smart Region	1.1 Support the development of a regional Innovation system for the Adriatic-Ionian area
2. Sustainable region	2.1 Promote the sustainable valorisation and preservation of natural and cultural assets as growth assets in the Adriatic-Ionian area 2.2 Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation and the safeguarding of ecosystem services in the Adriatic-Ionian area
3. Connected region	3.1 Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area
4. Supporting the governance of the EUSAIR	4.1 Facilitate the coordination and implementation of the EUSAIR by enhancing institutional capacity of public administrations and key stakeholders and by assisting the progress of implementation of joint priorities



Examples of areas of interest for the Forestry Sector:

- ***Specific objective 2.2 Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation and the safeguarding of ecosystem services in the Adriatic-Ionian area*** for Creation of transnational networks and working groups for the development of transnational Special Spatial Plans for forestry; development of transnational systems, procedures and early warning systems for forecasting, managing and preventing forest fires.

Co-financing rates are 85%.

Managing Authority: Emilia Romagna Region, Italy

For further information:

http://www.southeasteurope.net/en/about_see/adriaticionianprogramme/

8.2.4. Central Europe Transnational Cooperation Programme 2014-2020

The Programme supports regional cooperation among partners from the following countries: Austria, Croatia, the Czech Republic, Hungary, Poland, Slovakia and Slovenia, as well as parts of Germany and Italy. The overall objective of the programme is to cooperate beyond borders to make central European cities and regions better places to live and work by implementing smart solutions answering to regional challenges in the fields of innovation, low-carbon economy, environment, culture and transport.

The total programme budget for projects is around 299 Million euro.

Priority Axis	Specific Objective
1. Cooperating on innovation to make CENTRAL EUROPE more competitive	<p>1.1 To improve sustainable linkages among actors of the innovation systems for strengthening regional innovation capacity in central Europe</p> <p>1.2 To improve skills and entrepreneurial competences for advancing economic and social innovation in central European regions</p>
2. Cooperating on low carbon strategies in CENTRAL EUROPE	<p>2.1 To develop and implement solutions for increasing energy efficiency and renewable energy usage in public infrastructures</p> <p>2.2 To improve territorially based low-carbon energy planning strategies and policies supporting climate change mitigation</p> <p>2.3 To improve capacities for mobility planning in functional urban areas to lower CO2 emissions</p>
3. Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE	<p>3.1 To improve integrated environmental management capacities for the protection and sustainable use of natural heritage and resources</p> <p>3.2 To improve capacities for the sustainable use of cultural heritage and resources</p> <p>3.3 To improve environmental management of functional urban areas to make them more liveable places</p>
4. Cooperating on transport to better connect CENTRAL EUROPE	<p>4.1 To improve planning and coordination of regional passenger transport systems for better connections to national and European transport networks</p> <p>4.2 To improve coordination among freight transport stakeholders for increasing multimodal environmentally-friendly freight solutions</p>

Examples of areas of interest for the Forestry Sector:

- **Specific objective 3.1 To improve integrated environmental management capacities for the protection and sustainable use of natural heritage and resources** to develop and implement integrated strategies and tools for the sustainable management of protected or environmentally highly valuable areas.

Co-financing rates are up to:

- 80% for partners from Austria, Germany and Italy;
- 85% for partners from Croatia, the Czech Republic, Hungary, Poland, Slovakia and Slovenia.

Managing Authority: Department for EU Strategy and Economic Development of the City of Vienna (Austria).

For further information: <http://www.central2020.eu/>

8.3. INTERREGIONAL COOPERATION

Interregional Cooperation operates at pan-European level to provide a framework for the exchange of experiences and creation of networks to develop good practice and facilitate the exchange and transfer of experience by successful regions. There are 4 Interregional Cooperation Programmes: ESPON, INTERACT III, INTERREG VC and URBACT.

8.3.1. INTERREG VC 2014-2020

In the Interreg Europe cooperation programme, partners from 30 countries - 28 member states of the European Union, Norway and Switzerland - will be able to exchange their experience and work on improving their Structural Funds and regional development policies. The programme is co-financed by the European Regional Development Fund (ERDF) with a budget of €359 million for the 2014-2020 period.

Priority Axis	Specific Objective
1. Research, Technological Development and Innovation	<p>1.1 Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, in the field of research and innovation infrastructure and capacities.</p> <p>1.2 Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, that support the delivery of innovation by actors in regional innovation chains in areas of “smart specialisation” and innovation opportunity.</p>
2. Competitiveness of Small and Medium-Sized Enterprises	<p>2.1 Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation</p>
3. Low Carbon Economy	<p>3.1 Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, addressing the transition to a low-carbon economy.</p>
4. Environment and Resource Efficiency	<p>4.1 Improve the implementation of regional development policies and programmes, in particular Investment for Growth and Jobs and, where relevant, ETC programmes, in the field of the protection and development of natural and cultural heritage.</p> <p>4.2 Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, aimed at increasing resource-efficiency, green growth and eco-innovation and environmental performance management.</p>

Examples of areas of interest for the Forestry Sector:

- **Specific objective 4.2** to support exchange of experiences and sharing of practices between actors of regional relevance, intended to prepare the integration of the lessons learnt into regional policies and actions for a better implementation of programmes and policies for resource efficiency, green growth and environmental performance management.

Co-financing rates are 85%.

Managing Authority: Région Nord-Pas de Calais, France

For further information: <http://www.interreg4c.eu/programme/2014-2020/>

8.3.2. ESPON 2014-2020

The ESPON 2020 Programme aims at promoting and fostering a European territorial dimension in development and cooperation by providing evidence, knowledge transfer and policy learning to public authorities and other policy actors at all levels. The objective is to support the reinforcement of the effectiveness of EU Cohesion Policy and other sectoral policies and programmes under ESI funds as well as national and regional territorial development policies, through the production, dissemination and promotion of territorial evidence covering the entire territory of the 28 EU Member States, as well as 4 Partner States of Iceland, Liechtenstein, Norway and Switzerland.

Under Priority Axis 1: *Territorial Evidence, Transfer, Observation, Tools and Outreach*, 4 specific objectives have been identified:

1. *Enhanced production of territorial evidence through applied research and analyses*
2. *Upgraded knowledge transfer and use of analytical user support*
3. *Improved territorial observation and tools for territorial analyses*
4. *Wider outreach and uptake of territorial evidence*

National, policymakers and practitioners responsible for territorial cohesion, ETC programmes, macro-regional strategies and Cohesion Policy preparation and implementation at national level, and regional and local policymakers and practitioners responsible for territorial development and planning and/or involved in cross-border, transnational and macro-regional cooperation are primary target groups. As the providers of the research capacity and scientific excellence for ESPON 2020, academics, scientists and researchers are important for the programme outputs.

Managing Authority: Ministry of Sustainable Development and Infrastructure Department for Spatial Planning and Development (DATER), Division for European Affairs, Luxembourg

For further information:

http://www.espon.eu/main/Menu_Programme/Menu_ESPON2020Programme/index.html

9. EU PROGRAMMES directly managed by the Commission

Some EU Programmes with certain specific objectives (such as environment, research, etc.) are directly managed by the European Commission and its Agencies. Some of the most relevant opportunities for stakeholders in the Forestry Sector are indicated below.

9.1. LIFE

With a budget of EUR 3.4 billion, the general objective of LIFE is to contribute to the development of EU environmental and climate policy and legislation. The LIFE Programme is run by the European Commission with help from the Executive Agency for SMEs (EASME). Beneficiaries are legal persons including NGOs, National Authorities and private companies.

- **LIFE Nature & Biodiversity** will co-finance action grants for best practice, pilot and demonstration projects that contribute to the implementation of the Birds and Habitats Directives and the Union Biodiversity Strategy to 2020, and the development, implementation and management of the Natura 2000 network.
- **LIFE Environment & Resource Efficiency** will co-finance action grants for pilot and demonstration projects to develop, test and demonstrate policy or management approaches, best practices and solutions to environmental challenges, including the development and demonstration of innovative technologies, that can be replicated, transferred or mainstreamed. Projects may relate to the link between the environment and health, support resource efficiency-related policy and legislation, or improve the knowledge base for the development, implementation, assessment, monitoring and evaluation of Union environmental policy, and for the assessment and monitoring of the factors, pressures and responses that impact on the environment within and outside the Union. The Thematic Priorities for Resource Efficiency include activities for forest monitoring and information systems, and to prevent forest fires.

The LIFE multiannual work programme for 2014-17 gives priority to the following projects for Forests:

1. Projects that contribute to deriving fully harmonised information from data collected by National Forest Inventories (NFI) and/or other forest information networks, and that implement advanced methodologies to demonstrate sustainable forest management at regional, national or supra-national level according to agreed (Forest Europe) criteria and indicators (e.g. Forest health and vitality, Forest Ecosystem Services, Forests and Socio Economic functions linked to EU Bioeconomy and forest within a changing climate) following the objectives of the new EU Forest Strategy and the EU Biodiversity Strategy 2020.
-

2. Projects that build on the information collected by existing national/regional forest information networks and develop and implement new methods for the collection and reporting of sustainable forest management criteria and indicators at national or regional level and according to the EEA classification of European Forest Types (EFT) in 14 categories as reported to Forest Europe. These projects should include specific demonstrative actions showing how the information and new methods may be used to improve the protection of forest ecosystems.
3. Projects that contribute towards the enhancement of the European Forest Fire Information System (EFFIS). These projects should include specific demonstrative actions showing how the information and new methods may be applied towards reaching the targets set in the EU Biodiversity Strategy 2020 insofar as forest and forest ecosystems management is concerned.
4. Projects that use new information about forests to increase their resilience to threats arising from population changes related to urbanisation, land abandonment or loss of traditional land management skills.

➤ **LIFE Environmental Governance & Information** will co-finance action grants for information, awareness and dissemination projects to promote awareness raising on environmental matters, and to promote knowledge on sustainable development and new patterns for sustainable consumption; to support communication, management, and dissemination of information in the field of the environment, and to facilitate knowledge sharing on successful environmental solutions and practice.

In the forestry sector, the LIFE multiannual work programme for 2014-17 gives priority to capacity building campaigns to allow for coordination and guidance on relevant and EU representative forest and forest fire information. These projects should aim at coordinating national or transnational forest fire related information regarding forest fire emissions, the valuation of fire damages, including guidance on cost-efficient use of resources for forest fire prevention, and burnt areas, in particular Natura 2000 areas. They should also give guidance regarding a common approach at Union level.

➤ **LIFE Climate Change Mitigation** will co-finance action grants for best practice, pilot and demonstration projects that contribute to the reduction of greenhouse gas emissions; that contribute to the implementation and development of Union policy climate change mitigation, in particular by developing, testing and demonstrating policy or management approaches, best practices and solutions for climate change mitigation, and that contribute to the development and demonstration of innovative climate change mitigation technologies, systems, methods and instruments that can be replicated, transferred or mainstreamed.

Traditional projects (best practice, innovation and demonstration projects, as well as dissemination/information projects and governance projects) and integrated projects aiming at the implementation on a large territorial scale of plans and strategies required by EU legislation in the areas of nature, water, waste, air, climate mitigation and adaptation may be proposed.

Cofinancing rates

- Traditional Nature and Biodiversity Projects:
 - 60% co-financing
 - 75% co-financing for projects targeting priority habitats & species
- Integrated projects:
 - 60% co-financing
- All other projects:
 - 60% co-financing during the first multiannual work programme (2014-2017)
 - 55% co-financing during the second multiannual work programme (2018-2020)

Information Sources: <http://ec.europa.eu/environment/life/index.htm>

National Contact point:

<http://www.mzoip.hr/hr/ministarstvo/medunarodnasuradnja/life-program.html>

- **LIFE Financial Instruments** under the Natural Capital Financing Facility (NCFF), the European Investment Bank (EIB) will provide loans and investments in funds to support projects that promote the preservation of natural capital, including adaptation to climate change, in the Member States. The total budget for the Investment Facility amounts to € 100 – 125 million for 2014-2017. The main aim of the NCFF is to demonstrate that natural capital projects can generate revenues or save costs, whilst delivering on biodiversity and climate adaptation objectives.

Recipients can be public and private entities, including public authorities, land owners and businesses. The size of NCFF projects will typically be between € 5 million and € 15 million. The NCFF intends to provide finance to project developers both directly as well as indirectly through financial intermediaries.

Projects potentially eligible for funding fall into four broad categories:

- Payments for Ecosystem Services (PES): projects involving payments for the flows of benefits resulting from natural capital. They are based on the beneficiary pays principle: the beneficiary of an ecosystem service pays the provider for securing that service.
- Green Infrastructure (GI): GI can generate revenues or save costs based on the provision of goods and services such as water management, air quality, forestry, recreation, pollination and increased resilience to the consequences of climate change.
- Biodiversity offsets: these are conservation actions intended to compensate for the residual, unavoidable harm to biodiversity caused by development projects. They are based on the polluter pays principle, whereby offsets are undertaken for compliance or to mitigate reputational risks.
- Innovative pro-biodiversity and adaptation investments: these are projects involving the supply of goods and services, mostly by SMEs, which aim to protect biodiversity or increase the resilience of communities and other business sectors.



A support facility for capacity building and project preparation and implementation is available for projects for which there is a reasonable probability that once developed in full, they can be awarded NCFF funding. Support may consist in external advice and consultancy services in relation to technical, scientific, market, financial, economic, business planning, training social and environmental aspects of the (portfolio of) projects and in relation to the monitoring of and reporting on the impacts on environment and ecosystems.

Potential project developers can contact the EIB at **NCF_Instrument@eib.org**

9.2. HORIZON 2020

Horizon 2020 is the EU Research and Innovation programme with nearly €80 billion of funding available over 7 years (2014 to 2020). Research is at the heart of the EU's blueprint for smart, sustainable and inclusive growth and jobs. By coupling research and innovation, Horizon 2020 is helping to achieve this with its emphasis on excellent science, industrial leadership and tackling societal challenges. The goal is to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation. Funding relevant to the Forestry sector will focus on challenges such as:

- Food security, sustainable agriculture and forestry, marine and maritime and inland water research, and the Bioeconomy;
- Secure, clean and efficient energy;
- Climate action, environment, resource efficiency and raw materials.

Two year work programmes announce the specific areas that will be funded by Horizon 2020. Calls are published on the online Participant Portal which hosts the services for managing proposals and projects throughout their lifecycle.

For further information:

<http://ec.europa.eu/research/participants/portal/desktop/en/home.HTML>

National Contact Point: <http://www.mobilnost.hr/>



9.3. ERASMUS FOR YOUNG ENTREPRENEURS

Erasmus for Young Entrepreneurs is a cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other Participating Countries. The exchange of experience takes place during a stay with the experienced entrepreneur, which helps the new entrepreneur acquire the skills needed to run a small firm.

The host benefits from fresh perspectives on his/her business and gets the opportunities to cooperate with foreign partners or learn about new markets. The EU contributes to travel and subsistence costs during the visit.

For further information:

<http://www.erasmus-entrepreneurs.eu/index.php>

National Contact Point: **<http://www.mobilnost.hr/>**

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Prilaz Gjure Deželića 63

10000 Zagreb

Tel: 01/376-5501, 376-5502

info@hkisdt.hr, www.hkisdt.hr

AUTHORS:

Victoria Jane Primhak

Domagoj Troha

PHOTOGRAPHY:

Hrvoje Čeliković

Domagoj Troha

Goran Vincenc

Oliver Vlanić

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