



COMMITTEE ON REGIONAL DEVELOPMENT DELEGATION TO CROATIA

17 - 19 MAY 2016

SUMMARY REPORT





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Summary

Subject Delegation visit to Croatia

Main objective:

The delegation of the Committee on Regional Development (REGI) was present in Croatia from 17 to 19 May.

Objectives The aim of the visit was to meet key actors involved in the implementation of cohesion policy in Croatia, the newest member of the EU, as well as to have a first-hand view of some of the projects co-financed by the European Structural and Investment Funds (ESI Funds).

17- 19 May 2016

Places Zagreb, Šibenik, Prvić, Knin, Karlovac

Participants The delegation consisted of 5 Members of the REGI Committee

The list of participants and the programme are attached in the annex.



Tuesday 17 May 2016

Lunch hosted by Ms Jasna Matulić, Chair of the Committee on Regional Development and European Union Funds

Meeting with the members of the Croatian Parliament (Committee on Regional Development and European Union Funds, European Affairs Committee and Foreign Affairs Committee)

The delegation met 6 representatives from the Croatian Parliament, including the Chair of the Committee on Regional Development and EU Funds, Ms Jasna Matulić.

The discussion mainly focused on the planned amendment of the ERDF and Cohesion Fund operational programme. The REGI delegation outlined the risks associated with changes in the operational programmes such as further postponements of the implementation and, consequently, possible decommitments.

Among the other topics discussed, the Croatian Parliament representatives stressed the unequal and disproportionate economic and infrastructural development of Croatia, the high rate of youth unemployment and the outflow of labour force.

Meeting with Mr Tomislav Tolušić, Minister of Regional Development and EU Funds

The recently appointed Minister of Regional Development and EU Funds, Mr Tolušić, firstly outlined the worrying situation he found after taking office and then provided an overview of some of the first actions taken: simplification of procedures, amendment of the Civil Servants Act, setting up of a project database and the amendment of the ERDF and Cohesion Fund operational programme.

The Chief Advisor to the Minister gave some recommendations for the future Cohesion Policy: timely adoption of the legislative package and a more effective shared management system (less involvement from the Commission).

The meeting was followed by a press conference in which the Minister highlighted the low level of absorption and problems in the implementation, as well as actions taken to improve the situation. The REGI Members proposed "ambition" as the key word - planning investments above 100% of the available funds in order to reach high absorption rates - together with a focus on results.



Croatian Chamber of Economy - ESI Funds and other funding sources for SMEs

Participants:

- Ms Mirjana Čagalj, Vice-President of the Croatian Chamber of Economy
- Ms Ana Mandac, Assistant Minister of Entrepreneurship and Crafts
- 3 representatives of SMEs

This thematic meeting revealed the challenges an average SMEs has to face when applying for ESI Funds: complex and slow procedures and excessive audit. One SME representative mentioned 200 pages of application documents, 170 pages of the contract of which 30 pages relate only to disability provisions.

Ms Mandac outlined the efforts undertaken by her Ministry to simplify the procedures such as new simplified calls for tenders and electronic transmission and archiving of documents.

Another issue of concern that emerged in the discussion is the definition of SMEs (in particular the staff headcount limit of 250), which disqualifies enterprises with 260/270 employees with turnover/balance sheet totals under the ceilings of the SME definition.



Wednesday 18 May 2016

Introductory meeting & presentation of the walkway in the St Anthony Channel, Šibenik

Participants:

- Mr Goran Pauk, prefect of the Šibenik-Knin County
- Mr Željko Burić, mayor of the City of Šibenik

After introductory remarks from the prefect and the mayor, the delegation went a short walk on the walkway.

The project aims to fully renovate a 4.4 kilometre-long walkway along the coast of the channel and it is co-financed by ERDF grants to the tune of EUR 1m (70% of the total project cost). The expected results are the improvement of the tourism infrastructure and promotion of active and cultural tourism.

Discussion with mayors from Šibenik-Knin County

Participants:

- Mr Goran Pauk, prefect of the Šibenik-Knin County
- Mr Željko Burić, mayor of the City of Šibenik
- Other mayors from the county

The aim of the conference, held at the St Michael's Fortress (itself an EU-funded project) in Šibenik, was to get input from the stakeholders on the ground on what it means for them to manage EU-funded projects. Topics discussed included:

- Problem of attracting and retaining experts in the public sector
- Reform of the local and regional authorities (the prefect, who is also the President of the Croatian County Association, feels that reform is necessary but rather to increase the decentralisation than to reduce the number of counties)
- Demographic challenges, especially in the rural areas
- Complexity of the system and burden for beneficiaries (a speaker mentioned 7 audit checks in 2 years)
- Top-down approach from the national level (specifically concerning the Adriatic-Ionian macro-regional strategy, the local and regional authorities provided input at an early stage which was not considered afterwards)
- Good practice of cooperation and exchange with counterparts in other Member States (the city of Šibenik is cooperating closely with Kielce, Poland)



The meeting was followed by a short press conference.

Lunch hosted by the Šibenik-Knin County, St Michael's Fortress, Šibenik

Faust Vrančić Memorial Centre, Prvić island

The delegation visited, after a short boat transfer, the Faust Vrančić Memorial Centre, constructed in honor of the inventor, linguist, historian, engineer and bishop, and located in Prvić Luka on the island Prvić. The display features many Vrančić's inventions.

After the City of Vodice conducted most of the major building works, the European Union joined the project completion with a grant of almost EUR 1m from the Instrument for Pre-Accession Assistance (IPA).

A large increase in tourist visits is expected on this island in the vicinity of Vodice. The construction of the Memorial Centre aims at preservation of cultural and historical heritage.

Water purifier, Knin

The project was part of the "Environmental Operational Programme 2007-2009" under the Instrument for Pre-Accession Assistance (IPA).

The main objectives are:

- Optimize the waste water system and storm system in order to reduce the risk of flooding;
- Connect 12,000 new inhabitants to the public sewerage system and provide a comprehensive wastewater treatment;
- Provide better and safer water supply and reduce water losses in the water supply system;
- Maintain and enhance the quality of groundwater and
- Contribute to the preservation of the Krka National Park.

EU co-financing amounts to around EUR 10m (around 60% of the total project cost).

Lunch hosted by the City of Knin, Knin Fortress



Thursday 19 May 2016

Visit to the project site Ka-aquarium & meeting with the mayor of Karlovac and the prefect of Karlovac County

Participants:

- Mr Ivan Vučić, prefect of the Karlovac County
- Ms Marina Kolaković, deputy mayor of the City of Karlovac

After the initial introductory meeting, the delegation went to visit the Ka-aquarium project which focuses on the construction and equipping of a freshwater aquarium, increasing knowledge and skills of stakeholders in tourism and creation of a knowledge base and skills in the field of freshwater aquaculture for tourism.

The project is co-financed from the ERDF with around EUR 4.8m which represents 98% of the total project costs. The aquarium is expected to finish until September 2016.

The meeting was followed by a short press conference after which the official programme of the delegation ended.



Concluding remarks

Croatia is the EU's newest Member State, having joined in July 2013. It found itself in a unique situation when it comes to ESI Funds: moving from pre-accession funds, 2007-2013 cohesion policy programming period (for only 6 months) to 2014-2020 operational programmes in a rather short time span. This meant significant challenges in terms of adaptations of the implementation systems. In the 2014-2020 period Croatia can benefit from ESI Funds funding of EUR 10.7 billion through its 4 national programmes.

The visit confirmed some of the well-known challenges in the implementation of cohesion policy: need for simplification, administrative capacity and bottom-up approach with involvement of local and regional authorities.

Considering the current situation in Croatia in the context of ESI Funds, specifically the plans to amend the ERDF and Cohesion Fund operational programme, it is essential to find the balance between the benefits these changes might bring and the costs, as there is a risk to further delay the implementation phase. The Commission needs to be involved in all the stages in order for the approval process to be completed in a reasonable time frame.

Overall, the projects visited were good examples of the added value of cohesion policy for local communities and opportunities it brings by, for example, creating additional cultural/tourism infrastructure as well as by providing basic services such as clean water and reliable sewerage systems.



Media coverage

Selection of news articles (mostly only in HR):

Croatian Parliament web

<http://www.sabor.hr/saborski-i-eurozastupnici-razgovarali-o-koristenju>

Croatian Government web

<https://vlada.gov.hr/vijesti/delegacija-odbora-za-regionalni-razvoj-europskog-parlamenta-na-sastanku-s-ministrom-tolusicem/19025>

<https://vlada.gov.hr/vijesti/posjet-delegacije-odbora-za-regionalni-razvoj-europskog-parlamenta-republici-hrvatskoj/19018>

Dnevnik.hr news portal

<http://dnevnik.hr/vijesti/hrvatska/tolusic-mi-smo-najlosiji-u-eu-po-povlacenju-sredstava-moramo-spasavati-sve-sto-se-spasiti-da---437438.html>

Večernji list

<http://www.vecernji.hr/hrvatska/nasi-nadzornici-umjesto-da-pomognu-odbijaju-odlicne-projekte-1085855>

Europske novine

<http://www.europskenovine.eu/2016/05/16/posjet-delegacije-odbora-za-regionalni-razvoj-europskog-parlamenta-republici-hrvatskoj/>

Hrvatski Radio Karlovac

<http://www.hrk.hr/delegacija-europskog-odbora-regionalni-razvoj-posjetila-karlovac/>

Sibenski portal

<http://sibenskiportal.rtl.hr/2016/05/18/euoparlamentarci-u-sibeniku-obisli-projekte-i-slusali-o-problemima-u-povlacenju-novca-iz-eu/>

Social networks:

Croatian Government

<https://twitter.com/VladaRH/status/732601081360961536>

EP Information Office in Croatia

https://twitter.com/EP_Zagreb/status/732593240029814787

REGI Committee

https://twitter.com/EP_Regional/status/732881130324676608

European Parliament

2014-2019





ANNEXES

**Delegation to Croatia
List of Participants**

MEMBERS	<i>Lang. spoken</i>	<i>Political Group</i>	<i>Tel. Fax BXL/STR</i>	<i>Office BXL/STR</i>
<i>Chair of the Delegation (17 and 18 May)</i> Mr Andrea COZZOLINO	IT	S&D	45517/49517 75517/79517	ASP 15G258 LOW T06125
<i>Chair of the Delegation (19 May)</i> Mr Lambert VAN NISTELROOIJ	NL, EN	EPP	45434/49434 75434/79434	ASP 08E206 LOW T09036
Mr Andrey NOVAKOV	BG, EN	EPP	45710/49710 75710/79710	ASP 08F259 LOW T11047
TOTAL NUMBER	3			
Accompanying MEMBERS	<i>Lang. spoken</i>	<i>Political Group</i>	<i>Tel. Fax BXL/STR</i>	<i>Office BXL/STR</i>
Mrs Ivana MALETIĆ	HR, EN	EPP	45734/49734 75734/79734	ASP 14E218 LOW T09033
Mrs Ruža TOMAŠIĆ	HR, EN	ECR	45636/49636 75636/79636	WIB 04M075 LOW T11040
TOTAL NUMBER	2			
TOTAL NUMBER MEPs	5			



SECRETARIAT of the REGI Committee	Lang. spoken	Tel. BXL/STR	Office BXL/STR
Mr Stephen SALTER Head of Unit	EN, FR, DE	+32-475 58 70 13 (during delegation) 42772/72421	SQM 07Y091 SDM G04007
Mr Dražen RAKIĆ Administrator	EN, HR	+32-472 58 04 13 (during delegation) 33361/74618	SQM 07Y002 SDM G04005
TOTAL NUMBER	2		
POLITICAL GROUP STAFF	Lang. spoken	Tel. BXL/STR	Office BXL/STR
Mr Pawel KALETA (EPP)	PL, EN, FR	32682/64070	ASP 05H342 WIC M04108
Ms Simina-Camelia LAICU (S&D)	RO, EN, FR, IT, DE	42457	ATR 04L046
Ms Mislava BRKO (ECR)	HR, EN	32880/64634	ATR 01K024 LOW T04147
TOTAL NUMBER	3		
OTHERS	Lang. spoken	Tel.	Office
Ms Violeta STANIČIĆ - only for 17 May Head of Unit, EP information office Zagreb	HR, EN	9180	ZAG BUR.INF.
Mr Antonio RECCHIA EP technician	IT, EN	43885	ASP 02E212
TOTAL NUMBER	2		
INTERPRETERS	Main lang.	Tel.	Linguistic profile
(Leader) Mrs Ivana DULCIĆ	HR	+32 472 50 78 97 +385 989 23 37 08	BS EN FR SR / EN
Ms Vivien CVITIĆ TROJAK	HR	+32 484 99 57 45 +385917822440	EN ES IT / EN
Mrs Daniela URAVIĆ	HR	+32 486 03 14 39 +385 98 18 13 173	EN IT / EN IT
Mrs Maria FITZGIBBON	EN	+353 8726 405 49 +39335 645 38 16	FR IT NL / [FR] [IT]
Mrs Theresa TOMASETTI	EN	+3232476124097 0479.51.31.75	ES FR IT / IT
Mrs Rosita LAGRAVINESE	IT	+4915123973770 +39 339 65 37 696	DE EN ES FR HR
TOTAL NUMBER	6		
TOTAL PARTICIPANTS NUMBER	18		



EUROPEAN PARLIAMENT

COMMITTEE ON REGIONAL DEVELOPMENT

Delegation to Zagreb, Šibenik and Karlovac, CROATIA

17 - 19 May 2016

FINAL PROGRAMME

Tuesday, 17 May 2016

Individual arrival of the Members and the staff to Zagreb (around midday):
transfer from Zagreb Airport to Government buildings

13:00

The participants of the delegation meet at Zagreb International Airport, bus transfer to Zagreb

14:00 - 15:00

Lunch hosted by **Ms Jasna Matulić**, Chair of the Committee on Regional Development and European Union Funds

*Venue: Croatian Parliament (Hrvatski Sabor)
Trg svetog Marka 6, 10 000 Zagreb*

15:00 - 15:45

"The role of national parliaments in cohesion policy"

Meeting with the members of the Croatian Parliament ([Committee on Regional Development and European Union Funds](#), [European Affairs Committee](#) and [Foreign Affairs Committee](#))

*Venue: Croatian Parliament (Hrvatski Sabor)
Trg svetog Marka 6, 10 000 Zagreb*

16:15 - 17:00



"State of play regarding implementation of ESI funds in Croatia"

Meeting with **Mr Tomislav Tolušić**, Minister of Regional Development and EU Funds

*Venue: Ban's Court
The Government of the Republic of Croatia
Trg svetog Marka 2, 10 000 Zagreb*

17:00 - 17:30

"Challenges and opportunities of use of ESI funds in Croatia"

Press conference with the Minister of Regional Development and EU Funds, Mr Tomislav Tolušić, President of the Croatian Chamber of Commerce, Mr Luka Burilović and MEPs

*Venue: Ban's Court
The Government of the Republic of Croatia
Trg svetog Marka 2, 10 000 Zagreb*

18:00 - 19:00

"ESI Funds and other sources for SMEs"

Dinner discussion

18:00 – 18:10 State of play of the EU funds in Croatia

Mr Darko Horvat, Minister of Entrepreneurship and Crafts

18:10 – 18:20 The role of the Croatian Chamber of Economy in the use of the EU funds

Ms Mirjana Čagalj, Vice-President of the Croatian Chamber of Economy

18:20 – 18:35 Challenges and opportunities for SMEs in Croatia in practice

Representatives of SMEs

18:35 – 19:00 Discussion

*Venue: Croatian Chamber of Economy
Rooseveltov trg 2, 10000 Zagreb*

19:00 - 22:30



Bus transfer to Šibenik, check in at the hotel:

Hotel Jure

Hoteli Solaris 86, 22000 Šibenik

Tel: +385 22 362 951

<http://www.solaris.hr/wh/hotel-jure/>

Wednesday, 18 May 2016

08:30

The participants of the delegation meet in the hotel lobby

09:00 - 09:30

Walking introductory meeting with **Mr Goran Pauk**, prefect of Šibenik - Knin County, **Mr Željko Burić**, Mayor of the City of Šibenik - presentation of the walkway in the St Anthony Channel (Kanal sv. Ante) - an EU funded activity

Venue: Walkway in the St Anthony Channel (Šetnica u Kanalu sv. Ante), Šibenik

10:30 - 12:00

"Challenges and opportunities for participation in EU funds for municipalities and cities in the Šibenik-Knin County"

Discussion with mayors from Šibenik-Knin County

*Venue: St. Michael's Fortress (Tvrđava Sv. Mihovila), Šibenik
(EU funded project)*

12:00 - 12:30

"EU funds in practice - experience of the Šibenik-Knin County"

Press Conference

*Venue: St. Michael's Fortress (Tvrđava Sv. Mihovila), Šibenik
(EU funded project)*



12:30 - 14:00

Lunch hosted by Šibenik - Knin County

*Venue: St. Michael's Fortress (Tvrđava Sv. Mihovila), Šibenik
(EU funded project)*

14:00 - 19:00

Visit to regional sites funded by EU programmes:

14:00 - 14:20 Bus transfer Šibenik - Bikarac Waste Disposal Site

14:30 – 15:00 Visit to the **Bikarac Waste Disposal Site** **cancelled**

15:00 – 15:30 Bus transfer Bikarac Waste Disposal Site - Vodice

15:30 – 16:00 Boat transfer Vodice - Prvić Luka

16:00 – 16:30 Visit to the **Museum of Faust Vrančić**

16:30 – 17:00 Boat transfer Prvić Luka - Vodice

17:00 – 18:15 Bus transfer Vodice - Water Purifier

18:15 – 18:45 Visit to the **Water Purifier**

18:45 – 19:00 Bus transfer Water Purifier - Knin Fortress

19:00 – 20:30 Dinner at the Knin Fortress

20:30 - 21:30

Bus transfer back to Šibenik

Thursday, 19 May 2016

08:00

Departure to Karlovac

10:30 - 12:00

Visit to the project site Ka-aquarium and a meeting with **Mr Damir Jelić**, Mayor of Karlovac and **Mr Ivan Vučić**, Prefect of Karlovac County

*Venue: Mala vijećnica Grada Karlovca
Banjavčičeva 9, 47000 Karlovac*



12:00 - 12:30

Press Conference with **Mr Damir Jelić**, Mayor of Karlovac and **Mr Ivan Vučić**, Prefect of Karlovac County

Venue: Ka-aquarium

12:00 - 13:30

Bus transfer to the airport (Karlovac to Zagreb)

End of the official program of the Delegation