

**Interreg - IPA CBC**   
Greece - Albania

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# **Interreg IPA II cross-border cooperation programme «Greece - Albania 2014-2020»**

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## Acronyms, Abbreviations

<b>Acronyms</b>	<b>Description</b>
CBC	Cross Border Cooperation
CLLD	Community-Led Local Development
CSF	Community Support Framework
EC	European Commission
ERDF	European Regional Development Fund
ESIF	European Structural & Investment Funds
EU	European Union
FLC	First Level Control
GDP	Gross Domestic Product
GVA	Gross Value Added
HRST	Human Resources in Science and Technology
ICT	Information and Communications Technology
IPA	Instrument of Pre-accession Assistance
ISCED	International Standard Classification of Education
ITI	Integrated Territorial Investment
JMC	Joint Monitoring Committee
JSC	Joint Steering Committee
JS	Joint Secretariat
LPs	Lead Partners
MA	Managing Authority
MIS	Management Information System
NGO	Non-Governmental Organization
NIPAC	National IPA Coordinator
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Units for Territorial Statistics
CP	Cooperation Programme
OS	Operating Structure
PTF	Programming Task Force
R&D	Research & Development
RES	Renewable Energy Sources
SMEs	Small and Medium-sized Enterprises
SWOT Analysis	Strengths, Weaknesses, Opportunities, Threats Analysis
TAP	Trans Adriatic Pipeline
UNDP	United Nations Development Programme
TFEU	Treaty on the Functioning of the European Union

## Contents

SECTION 1 Strategy for the cooperation programme’s contribution to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s) .....	7
1.1. Strategy for the cooperation programme’s contribution to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s) ....	7
1.1.1. Description of the cooperation programme’s strategy for contributing to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s) .....	7
INTRODUCTION.....	7
THE ELIGIBLE AREA .....	8
The Wider Strategic Reference Framework.....	9
Cross Border Needs And Challenges .....	12
Lessons learnt in Cross-border Co-operation within period 2007-2013 .....	21
1.1.2. Justification for the choice of thematic priorities, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation .....	30
1.2 Justification for the financial allocation.....	32
SECTION 2. priority axes.....	35
Section 2.1. Description of the priority axes.....	35
2.1.1 Priority axis 1 “Promotion of the environment, sustainable transport and public infrastructure” .....	35
2.1.1.1 Fund, calculation basis for Union support and justification of the calculation basis choice .....	35
2.1.1.2 The specific objectives of the thematic priority and expected results.....	35
2.1.1.3 Elements of other thematic priorities added to the priority axis .....	36
2.1.1.4 Actions to be supported under the thematic priority (by thematic priority).....	37
2.1.1.4.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries .....	37
2.1.1.4.2 Guiding principles for the selection of operations .....	40
2.1.1.4.3 Planned use of financial instruments.....	42
2.1.1.5 Common and programme specific indicators.....	44
2.1.1.5.1 Priority axis 1 result indicators.....	44
2.1.1.5.2. Priority axis 1 output indicators .....	46
2.1.1.6 Categories of intervention .....	48
2.1.2 Priority axis 2 “Boosting the local economy” .....	49

2.1.2.1 Fund, calculation basis for Union support and justification of the calculation basis choice .....	49
2.1.2.2 The specific objectives of the thematic priority and expected results.....	49
2.1.2.3 Elements of other thematic priorities added to the priority axis .....	50
2.1.2.4 Actions to be supported under the thematic priority (by thematic priority).....	50
2.1.2.6 Common and programme specific indicators.....	56
2.1.2.7 Categories of intervention .....	58
Section 2.2 Description of the priority axes for technical assistance .....	59
2.2.1 Priority axis 3 “Technical assistance” .....	59
2.2.2 The specific objectives of the priority axis and the expected results .....	59
2.2.3 Actions to be supported and their expected contribution to the programme implementation.....	60
2.2.4 Programme specific indicators .....	61
2.2.4.1 Programme specific output indicators expected to contribute to results.....	61
2.2.5 Categories of intervention .....	61
Section 2.3 Overview table of indicators per priority axis and thematic priority.....	62
SECTION 3 Financing plan.....	64
3.1 Financial appropriation from the IPA (in EUR).....	64
3.1.1 Total financial appropriation from the IPA and national co-financing (in EUR) .....	65
3.1.2 Breakdown by priority axis and thematic priority .....	66
SECTION 4 Integrated approach to territorial development .....	67
4.1 Community-led local development (CLLD) .....	67
4.2 Integrated Territorial Investment (ITI).....	67
4.3 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant partner States and taking into account, strategically important projects identified in those strategies.....	67
SECTION 5 Implementing provisions for the cooperation programme .....	69
5.1 Relevant authorities and bodies .....	69
5.2 Joint Monitoring Committee (JMC).....	71
5.3 Procedure for setting up the Joint Secretariat (JS) .....	74
5.4 Summary description of the management and control arrangements .....	75
5.5 Apportionment of liabilities among partner States in case of financial corrections imposed by the managing authority or the Commission.....	87
5.6 Use of the Euro.....	88
5.7 Involvement of partners .....	89
SECTION 6 Horizontal Principles.....	91

6.1 Sustainable development.....	91
6.2 Equal opportunities and non-discrimination .....	91
6.3 Equality between men and women.....	92
ANNEXES (uploaded to electronic data exchange systems as separate files).....	93

**SECTION 1 STRATEGY FOR THE COOPERATION PROGRAMME’S CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND THE RELEVANT PARTNERSHIP AGREEMENT AND COUNTRY STRATEGIC PAPER(S)**

**1.1. Strategy for the cooperation programme’s contribution to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s)**

**1.1.1. Description of the cooperation programme’s strategy for contributing to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s)**

**INTRODUCTION**

During the 2014-2020 programming period EU has introduced three mutually reinforcing priorities to guide all EU-funded programmes: smart growth, sustainable growth and inclusive growth. In this context, the Instrument for Pre-accession Assistance II (IPA II) is dedicated to supporting beneficiaries from eligible areas for:

- political reforms,
- economic, social and territorial development,
- smart, sustainable and inclusive growth,
- research, technological development and innovation capacity, and
- regional integration and territorial cooperation.

The Interreg IPA II cross-border cooperation programme Greece - Albania 2014-2020 is the outcome of a programming process guided by the “Joint Programming Committee” established for the preparation of the Interreg IPA II cross-border cooperation programme.

**The overall strategy of Interreg IPA II cross-border cooperation programme Greece - Albania 2014-2020 is:**

*“to find the balance between sustainable regional development and enhancement of cross-border cooperation among local population & regional institutions, in accordance with EU & national policies, in order to address common challenges through joint interventions”*

programme priorities chosen by the joint programming committee (JPC), according to the Annex III of IPA II Regulation (EU) No 231/2014, include:

- Thematic priority (c). Promoting sustainable transport, information and communication (IC) networks & services and investing in cross-border water, waste & energy systems and facilities
- Thematic priority (b). Protecting the environment & promoting climate change adaptation & mitigation, risk prevention & management

- ❑ Thematic priority (d). Encouraging tourism and cultural and natural heritage
- ❑ Thematic priority (g). Enhancing competitiveness the business environment and the development of small and medium-sized enterprises (SMEs), trade and investment

The justification for the selection of these thematic priorities and the needs/challenges of the cross-border area they address are described below.

## **THE ELIGIBLE AREA**

The eligible cross-border area spreads from the Ionian Sea to the Prespa lakes, and includes:

- the Regional Units of Grevena, Kastoria, Florina, Arta, Thesprotia, Ioannina, Preveza, Zakynthos, Kerkyra, Kefallinia and Lefkada in Greece, and
- the Region<sup>1</sup> of Vlorë, the Region of Gjirokastër, the Region of Korçë and the Region of Berat in Albania.

Beneficiaries from the Regional Unit of Kozani in Greece, will also be eligible as per the flexibility rule as stipulated in Article 44(2b) of Regulation (EU) No 447/2014, “the total amount allocated under the cross border cooperation programme to operations located outside the Programme area does not exceed the 20% of the support from the Union at Programme level”

The Interreg IPA II cross-border cooperation programme “Greece-Albania 2014 – 2020” cross- border eligible area is illustrated on the map below:

Map 1: Greece-Albania 2014 – 2020 eligible area



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<sup>1</sup> District



The eligible cross border area is determined in accordance to the IPA II rules set out in Regulation (EU) No 231/2014 where only Nomenclature of Territorial Units for Statistics (NUTS) III regions are eligible for cross-border cooperation programmes referred to in point (a) of Article 27, without prejudice to potential adjustments needed to ensure the coherence and continuity with 2007-2013 programs.

The eligible cross- border area covers an area of 28,526 km<sup>2</sup> (17.445 km<sup>2</sup> for Greece cross-border area and 11.081 km<sup>2</sup> for Albania cross- border area) with a total population of 1,339,804 inhabitants (729.687 inhabitants for Greece cross- border area and 610.117 inhabitants for Albania cross- border area) (census data of 2011).

## **THE WIDER STRATEGIC REFERENCE FRAMEWORK**

The wider strategic framework to which IPA II cross-border cooperation programme “Greece-Albania 2014 – 2020 conforms, consists of two over-arching strategies of European importance and two strategic documents of national importance for the two participating countries.

### **Europe 2020 Strategy**

The European Union’s ten-year development strategy 'Europe 2020' is not just a tool for dealing with the recent economic crisis, which still affects many European economies, but aims to address the shortcomings of the EU development model and to create the necessary conditions for a smart, sustainable and inclusive growth.

Interreg IPA II cross-border cooperation programme “Greece-Albania 2014 – 2020” contributes to the achievement of the key objectives for smart growth, sustainable development and inclusive growth as follows:

- **Smart growth:** by supporting the construction of key transport infrastructure & information and communications technology (ICT) applications, business infrastructure and business services, and tourism development – which is a key sector for all cross-border productive systems.
- **Sustainable growth:** by supporting the construction of water & waste management infrastructure and by promoting environmental protection, adaptation to climate change and risk prevention, sustainable use of natural resources and use of renewable energy sources (RES).
- **Inclusive growth** is supported only indirectly, as there is no specific objective dealing with social integration, and human resource issues. Instead the programme adopts the approach that these issues will be dealt with through the active promotion of economic growth.

### **EU Strategy for the Adriatic and Ionian Region**

The EU Strategy for the Adriatic and Ionian Region is one of the three EU macro-regional strategies<sup>2</sup>. The proposed strategy – which focuses on areas of (macro) regional mutual interest with high relevance for the Adriatic and Ionian countries – consists of 4 thematic pillars:

- Driving innovative maritime and marine growth
- Connecting the region

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<sup>2</sup> The other two being the [EU Strategy for the Baltic Sea Region \(EUSBSR\)](#), and the [EU Strategy for the Danube Region \(EUSDR\)](#)

- Preserving, protecting and improving the quality of the environment
- Increasing regional attractiveness

The strategy also defines two (2) cross-cutting themes which define each and every pillar:

- Research, innovation and small and medium enterprise (SME) development, and
- Capacity Building.

### **Partnership Agreement for Greece for the period 2014-2020**

The key funding priorities for Greece according to the approved Greek Partnership Agreement<sup>3</sup> 2014-2020 are the following:

- Promoting competitive and outward-looking businesses, with a focus on quality, innovation and increased added-value.
- Developing and valorising human resource skills; promoting active social inclusion.
- Protecting the environment; transitioning into an environment-friendly economy.
- Developing, modernizing and complementing necessary for socio-economic development infrastructures.
- Administrative reform for an efficient public and local administration

The document also focuses on specific strategic choices, which include the following:

- Priority will be given to interventions in tourism, energy and the agro-alimentary industry.
- The 2014-2020 PA will actively support the national reform programme by focusing on institutional improvements.

For Interreg IPA II cross-border cooperation programme “Greece-Albania 2014 – 2020” the Partnership Agreement identifies three indicative priorities:

- Infrastructure for cross-border mobility.
- Economic development promotion and tourism support.
- Energy-saving and promotion of the effective use of resources.

### **Stabilisation and Association Agreement of Albania**

The Stabilisation and Association Agreement between Albania and the EU entered into force in April 2009. In October 2012 the Commission recommended that Albania be granted candidate status subject to the completion of key measures in the areas of *judicial and public administration reform and revision of parliamentary rules of procedure*. In early March 2014 Albania presented a roadmap, outlining Albania's medium-term efforts in meeting the key priorities for the opening of accession negotiations. Candidate status was granted on June 27, 2014 – under Greek Presidency - after a positive evaluation by Commission Services on June 4, 2014<sup>4</sup>.

Albania has so far benefited from IPA. During the period 2007-2013, the EU allocated a total of approximately 10,8 million for the "IPA cross border program “Greece-Albania 2007-2013”.

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<sup>3</sup>As officially approved.

<sup>4</sup>Brussels, 4 June 2014, COM(2014) 331 final

## **IPA II indicative strategy paper for Albania for the period 2014–2020<sup>5</sup>**

IPA II indicative strategy paper for Albania for the period 2014–2020 has been adopted in August 2014. This Strategy Paper sets out the priorities for EU financial assistance for the period 2014-2020 to support Albania on its way to accession setting meaningful and realistic objectives, identifying the key actions and actors, describing the expected results, indicating how progress will be measured and monitored, and setting out indicative financial allocations. The key funding policy areas and sectors for Albania are the following:

a. Reforms in preparation for Union membership

- Democracy and governance
- Rule of law and fundamental rights

b. Socio-economic and Regional development

- Environment
- Transport
- Energy
- Competitiveness and innovation

c. Employment, social policies, education, promotion of gender equality, and human resources development

- Education, employment and social policies

d. Agriculture and rural development

### **Area-based development (ABD) approach**

Area-based development (ABD) approach has been developed by the United Nations Development Programme (UNDP) and co-exists with other development approaches, such as “place-based” or “area-based”. ABD targets specific geographical areas in a country, characterised by a particular complex development problem, through an integrated, inclusive, participatory and flexible approach<sup>6</sup>.

Projects prepared under the area-based development (ABD) approach to facilitate sustainable growth in the defined geographical areas in cross-border regions in the western Balkans, in particular rural areas characterized by specific complex development problems, may be considered for funding under this cross-border cooperation programme. Account will be taken of the preparatory work for the ABD approach already carried out in the cross-border region covering the former Yugoslav Republic of Macedonia Albania and Greece.

### **Other EU-level Policies/Strategies relevant for the eligible area**

The EU Marine Strategy Framework Directive 2008/56/EC, (MSFD) aims at protecting the marine environment across Europe. The MSFD was adopted in June 2008 and is the environmental component of Europe's Integrated Maritime Policy. The directive sets a target of "Good Environmental Status" which must be achieved in EU marine waters by 2020 and con-

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<sup>5</sup> As officially adopted (August 18<sup>th</sup> 2014)

<sup>6</sup> ‘Facilitating an area based development approach in rural regions in the Western Balkans’ Volume 1: Main Report, EC 2012

sists of 11 descriptors: biodiversity, non-indigenous species, populations of commercial species, food structure, eutrophication, sea-floor integrity, topography alterations, contaminants, sea-food contaminants, marine litter, and energy & noise.

On 18 December 2013, the European Commission adopted a new Clean Air Policy Package to reduce air pollution. The set of environmental measures updated existing legislation and further reduces harmful emissions from industry, traffic, energy plants and agriculture, with a view to reducing their impact on human health and the environment. The major air-pollutants included in the package are: particulate matter, ground-level ozone, sulphur dioxide, nitrogen oxides, ammonia, volatile organic compounds, and methane. The Clean Air Policy Package includes:

- a Clean Air Programme for Europe, which sets out new interim objectives for reducing health and environmental impacts up to 2030;
- a revised National Emission Ceilings Directive (NECD), containing updated national ceilings (caps) for six key air pollutants (PM, SO<sub>2</sub>, NO<sub>x</sub>, VOCs, NH<sub>3</sub> and CH<sub>4</sub>) for 2020 and 2030;
- a new Directive for Medium-sized Combustion Plants between 1 and 50 MWth; and
- a ratification proposal for the amended Gothenburg Protocol under the 1979 UNECE Convention on Long-Range Transboundary Air Pollution.

## **CROSS BORDER NEEDS AND CHALLENGES**

Current conditions and needs in the cross-border area are as follows<sup>7</sup>:

### **Demography and spatial patterns, migration**

According to 2011 census data, total population in the eligible border area decreased during the last decade (2001-2011) by approximately 8%. The only NUTSIII regions with “net population gain” were located on the coastal Greek portion and included Ioannina, and the 4 Ionian Islands (Kerkyra, Lefkada, Kefallinia and Zakynthos). The regions recording the largest population loses were located on the Albanian portion, with Berat and Gjirokastër recording the most severe population loses (27% and 36% respectively).

Albanian demographics have exhibited significant volatility during the transition to market economy (i.e. post 1989). One of the most important changes has been the increase in the mobility of the population, as manifested by the significant external and internal migration flows. During 1989-2001, it is estimated that 1/5 of the population left the country, a phenomenon which continued during 2001-2011 at a slightly lower pace (16% of total population emigrated). The most important destination countries were Greece and Italy (with 43% and 47% of total emigrants respectively). On the return side, census data revealed that a significant number (approx. 5% of total population) was repatriated between 2001 and 2011. The main reason for this return flow was lack of employment abroad (IOM Development Fund, 2013, Return Migration and Reintegration in Albania) most likely related to the recent global economic crisis. Even though most returning emigrants settled in their communities of origin, often return migration was associated with the internal migration movements. For the cross-border eligible area, the most significant internal migration movements – as documented by 2011 census data – were:

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<sup>7</sup> In order to have a common statistical basis for the two sides (Greek and Albanian) composing the eligible area, official statistics for the same reference year were used. Care was taken to use the most recent data possible.

- from Berat, Gjirokaštër and Korçë to the country capital Tirane (7,3%, 10,1% and 5,5% of the 2001 population respectively). The migration flow from Vlorë to Tirane was significantly lower (3,5%).
- from Berat, Gjirokaštër and Vlorë to the neighboring region of Fier (2,2%, 3,2% and 1,9% respectively), an important industrial area.
- from Berat, Gjirokaštër and Korçë to Durrës, the second largest urban center in Albania (2,3%, 1,4% and 1,0% respectively), and
- from Korçë to Elbasan, one of the large urban centers in central Albania (1,2% of population).

The regions registering the largest population losses to internal migration were Gjirokaštër and Berat (with 21% and 16% of population losses respectively).

In the Greek cross-border area, population losses were marginal ranging from 0,2% (Florina) to 5,4% (Grevena) and were concentrated in the hinterland areas. They were mostly associated with the long-term trend of internal migration of younger people to the large metropolitan centres of the country in search of employment. The regions mostly affected by depopulation were Grevena and Arta.

The cross-border demographic age composition continues to exhibit a severe aging problem. The elderly dependency rates in both countries have deteriorated mainly due to a reduction in the younger population.

### **Geography and Environment**

The eligible area combines a wide variety of geomorphological features: high mountains, rolling hills, valleys and small plains, a long coastal line and a significant number of islands (small and large), rivers, lakes and lagoons. The climate of the area is influenced by the diverse relief and ranges from Mediterranean in the coastal zones, to Alpine in the hinterland. It is characterized by high levels of precipitation (clearly above the respective national averages), rich vegetation - made up mainly of coniferous species – and rich fauna (such as bears, wolves, foxes, deer and lynxes).

The mountains of the cross-border area – Pindus Mountains - form an extension of the Dinaric Alps. Altitudes range up to 2,637 m above sea level (Smolikas Peak, near Ioannina). The abundance of surface water resources has made the area an important source of hydropower for both countries even though the full potential has not been utilized yet. The most important cross-border river is Aoos (and its tributary Drinos), which originates from the Northern Pindus mountain range, flows for 70 kms through Greek territory and for 190 kms through Albanian territory and flows out into the Adriatic Sea, north of the city of Vlorë. The most important cross-border lake is the Great Prespa Lake with a surface of 281.7 km<sup>2</sup> which is shared between Albania (18%), Greece (14%) and the former Yugoslav Republic of Macedonia (68%).

Bilateral cooperation agreements exist between Greece and Albania in the field of Environmental Protection and transboundary freshwater issues. The main sources of pollution of cross-border area water resources include agriculture and aquaculture, urban sewage, and - for the Albanian side - petrol abstraction.

In the area of water quality, implementation of the acquis remains at a very early stage in Albania. Centralised wastewater collection only exists in larger cities. Four wastewater treatment plants are currently functioning – two of which (Pogradec and Korçë) are in the cross-

border area - while three other plants are completed but not yet operational (including the cross-border plants in Vlorë and Saranda) and two more are under construction and several others under design. Current financial and human investments are not sufficient to ensure the proper functioning and maintenance of existing wastewater treatment plants, while the capacity of public water companies to manage basic services in delivering safe drinking water and waste water treatment is weak. Meanwhile, on the Greek area, all urban conglomerations with a population over 2,000 inhabitants are currently covered by wastewater treatment systems. There are 21 WWTPs currently functioning covering 70% of the area's total population.

Waste management remains a serious cause of concern in Albania. Separation of solid waste has not yet started - with few exceptions - and recycling rates are very low. Municipalities have very weak capacities to manage waste, including at end destination. Most of the waste is still disposed off unsafely in legal and illegal dumpsites alike or burned. To date, only two sanitary landfills complying with EU standards are in operation and three more (one of which for industrial waste) have recently been constructed, all in Northern Albania. Hence, no sanitary landfills exist in the cross border area but the construction of one landfill in Korça is under way. There are still no facilities for hazardous, medical and construction waste. For the Greek area, solid waste is managed according to the Regional Solid Waste Management Plans. There are 9 sanitary landfills, one of which (South Kerkyra landfill) has recently been constructed.

Regarding climate change, Albania has recently identified 13 stationary installations for the purpose of future implementation of an emissions trading system but currently lacks a comprehensive country-wide climate policy and strategy. In Greece, there is a National Strategy for the reduction of greenhouse emissions since 2003, while National/Regional Risk Management Plans (according to decision 1313/2013/EU) and Detailed Flood Management Plans (by river basin) are under elaboration<sup>8</sup>. Landslides, forest fires, seasonal floods and avalanches are the main natural risks.

Regarding harmful air pollutants<sup>9</sup> PM<sub>10</sub>, according to the measurements at the measuring stations in Kozani and Florina, the average annual value of PM<sub>10</sub> in 2014 has not exceeded the limit value of 40 µg/m<sup>3</sup>. Additionally, the average daily value in Kozani has not exceeded the limit value of 50 µg/m<sup>3</sup> more than 35 times a calendar year, while on the other hand in Florina this value has exceeded 76 times a calendar year. Concerning NO<sub>2</sub>, the average annual value of NO<sub>2</sub> in 2014 has not exceeded the limit value of 40 µg/m<sup>3</sup>. Additionally, the average hourly value both in Kozani and Florina does not exceed the limit value of 200 µg/m<sup>3</sup>, not to be exceeded more than 18 times a calendar year.

Regarding water resources management and supply, compliance with the EU water framework directive (WFD 2000/60/EC) is obligatory<sup>10</sup> for Greece. In accordance with Article 18 (Water Framework Directive) the Commission has published a report to the European Parliament and to the Council on its implementation<sup>11</sup>. Specific assessments for Greece are also published<sup>12</sup>. The assessment indicates that regarding the RBMPs there are still drawbacks identified in the qualitative analysis, especially due to the lack of data, the centralized public administration, the differences in the methodological approaches for financial analysis and the different authorities involved in this process.

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<sup>8</sup> The initial risk evaluation and flood mapping has been concluded for all river basins.

<sup>9</sup> Brussels, 21.05.2008, DIRECTIVE 2008/50/EC

<sup>10</sup> Brussels, 23.10.2000, DIRECTIVE 2000/60/EC

<sup>11</sup> Brussels, 14.11.2012, COM/2012/0670 final

<sup>12</sup> Brussels, 14.11.2012, SWD/2012/379 final

Albania is encouraged to benefit from environment and climate regional accession network (ECRAN) and its working group 2 – water, which is focused on providing assistance in the development of trans boundary river basin management plans. These tasks are of cross-cutting nature and are implemented in collaboration with other working groups established under Environment Component of ECRAN.

### **Energy**

In Albania, there has been some progress in the field of energy. Electricity generation capacity improved with the operation since September 2012 of the new Ashta hydro-electric plant (close to the northern border). Currently there are 9 hydro-electric plants, only one of which is in the cross border area: Bistrica-I plant (close to Saranda). There have been some improvements as regards the supply of energy, but diversification of electricity sources is still lacking. Albania remains over-dependent on hydropower and is vulnerable to hydrological conditions. On the Greek cross-border side there are 12 small hydro-electric plants, but the largest portion of electricity is produced by thermal-electric plants<sup>13</sup>, such as the plant at Amyndaion (Florina).

The Albanian Law on renewable energy was recently adopted but implementing legislation is still lacking, as well as legislation for energy efficiency. In addition, implementation of the national energy efficiency action plan is delayed. As a result, there is no progress in the field of renewable energy sources and in the field of energy-saving in buildings. On the Greek cross-border side, renewable energy sources have been funded in the past by both National and Regional initiatives as well as energy-saving actions for public building, businesses and private housing.

### **Accessibility and transport**

Due to the geographic location and the difficult geomorphological characteristics, the hinterland of the cross-border area is characterized by low quality and density of infrastructure. Accessibility is mainly provided by the regional road network, which follows the topography of river valleys and mountain passes, hence leaving smaller inner regions relatively isolated. The availability of the road network is also problematic with certain connections closing on a seasonal basis, due to snowfall, rainfall and/or torrents.

All airport infrastructure is located on the Greek side of the cross-border area (Ioannina, Kerkyra, Kefallinia, Zakynthos and Kastoria), and cater to both domestic and international flights (regular and charter). Maritime ports exist on both sides of the border, but mainly on the Greek side. The most important cross-border ports include:

- the ports of Vlorë and Saranda, in Albania
- the ports of Kerkyra, Igoumenitsa, Kefallinia and Zakynthos, in Greece.

Rehabilitation of the infrastructure and superstructure (e.g. loading cranes) of the maritime ports of Vlorë and Saranda will increase cooperation and integration in the regional port systems of the Adriatic and Europe.

Railway is virtually non-existent in the cross border area with only a small section connecting Florina to Thessaloniki, with negligible importance to the region. Finally, border control including the facilities and equipment of the border crossings are continuously improving.

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<sup>13</sup> 60% of all electricity in Greece comes from fossil fuels (50% lignite and 10% oil).

## Communications

Greece and Albania have made significant progress on telecommunications connections over the last years and especially with respect to internet connectivity and mobile telephony. In Albania the situation has drastically improved in the decade 2001-2010, especially as far as mobile telephony is concerned which has quadrupled its usage from 2002 to 2010, and internet usage (including via mobile networks) which has increased 10-fold from 2005 to 2010. However, computer ownership levels and internet connections at home remain at low levels. Most broadband connectivity in Albania is available around Tirana and in the western part of the country. In the cross border area the situation seems to vary greatly as some districts seem to exhibit better than national average statistics (e.g. Gjirokastër for fixed broadband and Berat for mobile broadband) and some worse (e.g. Korçë). However, the data come from a “Living Standard Measurement Survey 2012” and may be unreliable at this level of geographic aggregation.

The Greek cross border area is not overall substantially different than the Greek national averages in terms of usage. In terms of broadband coverage the cross border area compares favourably with national and EU standards with Florina, Kastoria, Kerkyra, Lefkada and Zakynthos offering 100% standard fixed coverage and Kastoria offering better than national average coverage for “next generation” networks. Hence, conditions in the field of communications in the cross border area are quite divergent: the Albanian part is lagging behind on necessary infrastructure and latest technology, while on the Greek part the essential challenge is the utilization of the existing infrastructure.

## Economy

Greece was the first Eurozone country to be affected by the international financial crisis of the late 2000s, which - in combination with the drastic cuts in public spending agreed as a condition for the fiscal bail-out –led to high unemployment levels. The Greek economy shrunk by 23% between 2008 and 2013.

On the contrary, the Albanian economy continued its growth path, although at a slower pace. However, this rate remains at more than 5% annually, according to official data of the National Statistical Service Albania (Instat), and over 4%, according to estimates of International Organizations (e.g. World Bank).

In the cross border area:

- the recent economic crisis drove the local economy into a recession on the Greek part and slowed down growth rates on the Albanian part. The cross border area total Gross Value Added (GVA) was reduced by almost 10% between 2009 and 2011 (with the Greek part losing 12% of total GVA while the Albanian part grew by 8,2%).
- Agriculture proved to be the most resilient sector of the local economy increasing its GVA by 3,2%. Albanian districts are the most dynamic agricultural areas (increasing their GVA by 12,6% in the same period).
- Construction is the sub-sector mostly affected by the crisis. Greek districts were especially hit (losing 52,3% of GVA between 2009 and 2011) while Albanian districts suffered a loss of approximately 17%.

## Economic profile and characteristics by sector

The sectoral profile of the eligible cross border area, has not undergone any significant changes in the recent years as recorded by Instat and Eurostat Gross Value Added data at NUTS 3



level, with the exception of a slight expansion of the tertiary sector (from 71% of total GVA in 2007 to 74% in 2011) mainly at the expense of the secondary sector (and the construction sub-sector in particular which receded from 11% of total GVA in 2007 to 4% in 2011).

The Greek cross border area is considerably less agricultural (5,9% of Greek cross border 2011 GVA) and more heavily service-oriented (77,7% of Greek cross border 2011 GVA) than the Albanian cross border area (30,6% and 49,3% respectively), while within the secondary sector the only notable differentiation is that Albania is more construction-oriented (7,9% of GVA, when in the Greek part the respective figure is only 4%).

There is no consistent statistical data covering the entire cross border area for the tourist sector, but it is considered of strategic importance.

Finally, the total gross labour productivity<sup>14</sup> in the cross border area is significantly lower than the EU28 avg. (approximately 25%) and exhibits high differentials between the Greek (EUR 32.384 per employee avg) and the Albanian (EUR 23.783 per employee avg) parts.

### **Tourism and Cultural Heritage**

The most tourist-developed areas are the Ionia Nisia, which concentrate more than 80% of the accommodation establishments of the Greek cross border part (with Kerkyra alone concentrating 53.54%<sup>15</sup> of accommodations and the Ipeiros coastline which concentrates 16% of the Greek cross border part accommodation establishments. On the Albanian part, tourism is not as developed – as it is indicated by the comparatively low GVA in R1\_NACE “Wholesale and retail trade; hotels and restaurants; transport”<sup>16</sup>. The Albanian part accounts only for 7% of the GVA produced in the cross border area while Kerkyra produces almost 25% of the total GVA, Ioannina close to 20% and Zakynthos more than 10%. Still the areas of Vlora, Sarande and Berat have recently become popular, attracting constantly growing numbers of mainly domestic visitors.

The eligible cross border area is characterized by unique and diverse cultural heritage that could form the basis for tourist development. On the Albanian part there are 2 sites on the UNESCO World Heritage Site register (and 4 on the tentative list):

- The archaeological site of Butrint, close to the City of Saranda - inhabited since pre-historic times - has been a Greek colony, a Roman city, gained prosperity under Byzantine administration, was occupied by the Venetians, and was finally abandoned in the late Middle Ages after marshes formed in the area. The present archaeological site is a repository of ruins representing each period in the city development;
- The historic centers of Berat and Gjirokastra, are well-preserved examples typical Ottoman architecture. Berat features a castle, locally known as Kala, most of which was built in the 13th century, although its origins date back to the 4th century BC. The citadel area numbers many Byzantine churches, mainly from the 13th century, as well as several mosques built under the Ottoman era. Gjirokastra features a series of outstanding two-story houses which were developed in the 17th century. The town also retains a bazaar, an 18th-century mosque and two churches of the same period.

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<sup>14</sup> As represented by the ratio of produced GVA over the number of employees.

<sup>15</sup> 2011 data.

<sup>16</sup> Euro 300 million in 2007 as compared to euro 4.168 million GVA produced on the Greek side of the cross-border area. There are no available statistics regarding accommodation establishments and occupancy on the Albanian side of the cross-border area.

On the Greek cross border part there is one site on the UNESCO World Heritage Site register (and 5 on the tentative list):

- The Old Town of Kerkyra, on the Island of Kerkyra, is located in a strategic position at the entrance of the Adriatic Sea, and has its roots in the 8th century BC. The three forts of the town, designed by renowned Venetian engineers, were used for four centuries to defend the maritime trading interests of the Republic of Venice against the Ottoman Empire. The mainly neoclassical housing stock of the Old Town is partly from the Venetian period, partly of later construction, notably the 19th century. As a fortified Mediterranean port, Kerkyra’s urban and port ensemble is notable for its high level of integrity and authenticity.

Cultural heritage has traditionally been the basis for cross-border cooperation. Nowadays cross border cooperation concentrates in the Greek-Roman and Byzantine heritage sites, as well as aspects of intangible common heritage (such as folk art, folk music, etc.). Albania also has adopted a Cultural Marketing Strategy (UNDP 2010), while the Greek region of Ipeiros has developed an Integrated Culture-Tourism Territorial Investment Instrument.

Despite the numerous and rich natural and cultural resources and the various policies, the cross border area lacks an organized management plan for the development of mild tourist products (such as eco-tourism, religious tourism, etc) and hence the main tourist product remains “sun, sea & sand” tourism. On the contrary, nautical tourism (cruising and sailing) is a growing industry in the area, with Kerkyra being the main cross border cruise port, occupying the 3<sup>rd</sup> highest ranking in terms of passenger traffic in the Adriatic cruise circuit (Venice and Dubrovnik occupying the 1<sup>st</sup> and 2<sup>nd</sup> place). In the sailing/boating sub-sector there are strong clientele growth tendencies in the entire Adriatic sea area (in excess of 50% annually for the last couple of years). There are 8 main marinas located in the Greek cross border part (Kerkyra, Kefallinia, Lefkada, and Preveza) and one in Albania (Vlore).

### **Research and Innovation**

At national level, Albania has recently seen significant progress in strategic and operational management of research and technological development programmes. The number of project - proposals submitted by Albanian research institutions to EU and international programmes, as well as public Research & Development (R&D) expenditure have been constantly growing. Despite that, the level of investment in research and technological development is still very low, private sector research & development is very limited, and University-Industry collaboration is among the lowest ranked in the world. In addition, due to the lack of reliable statistics, it remains difficult to either establish the level of investment in research & development as a share of Gross Domestic Product (which is around 0.35% of Gross Domestic Product) or to document its regional incidence/characteristics.

On the Greek side, the regional scientific specialization of Ipeiros and Dytiki Makedonia are more in line with their productive systems than most other Greek regions. The main fields of scientific activity are:

- University of Ioannina: natural sciences, medical & health sciences, *agricultural sciences*;
- TEI of Epirus: natural sciences, *agricultural sciences*; and
- University of Western Makedonia and TEI of Western Makedonia: natural sciences, *engineering and technology* (in fields such as energy production, clean energy tech-

nologies, hydrogen and alternative energy sources, energy saving and related environmentally friendly technologies).

The main fields of scientific activity in the Ionia Nisia region are:

- Ionian University: natural and social sciences; and
- TEI of Ionia Nisia: medical and natural sciences;

On the Albanian part, there are three Universities with the following specializations:

- University of Gjirokastra (Eqrem Cabej): arts and humanities, business and social sciences, language and science/technology.
- University of Korca (Fan S. Noli): agriculture, education, economics.
- University of Vlora (Ismail Qemali) is the largest among the three Universities and offers: economics, humanities, public health and technical sciences.

The regions of Ipeiros and Ionia Nisia suffer from very limited to complete lack of cluster participation, while Dytiki Makedonia enjoys a high cluster activity but mostly in unrelated to research & development activity fields (leather, farming and agro-food products, construction, metals, and energy). All three Greek regions demonstrate almost non-existent business-funded research & development and low level of patenting (with Dytiki Makedonia recording the lowest research & development expenditure in the country), and low employment levels of Human Resources in Science and Technology (HRST).

In Ipeiros, the manufacturing sector is dominated by traditional industries (small, family-run, limited export potential), while Ionia Nisia and Dytiki Makedonia demonstrate strong sectoral specializations (tourism and energy respectively) but low linkages to international value chains.

Overall the regions of Ipeiros and Ionia Nisia are characterized by the European Regional Innovation Scoreboard as modest-medium innovators (lowest score) while Dytiki Makedonia is characterized as modest-high innovator.

“Smart specialization” is a new concept recently introduced in Albania during the development of the Western Balkans Regional R&D Strategy (October 2013) funded by the European Commission. According to this strategy, Albania exhibits several shortcomings, including: serious “brain-drain”, poor research & development infrastructure (scientific and communication infrastructure), and weak scientific performance (as measured by scientific citations). Earth and Planetary Sciences, Environmental Science and Immunology and Microbiology are the scientific areas with the highest “Relative Specialization Index” (i.e. specialization potential), while the largest number of patent applications is in pharmaceuticals and cosmetics.

Albania does not have a “smart specialization” strategy. On the contrary, all 3 Greek regions participating in the cross border area have recently developed “smart specialization” strategies according to EU guidelines for the ESI funds. The priorities/target markets for the three regions as per their RIS3 strategy are as follows:

- Ipeiros: agro-food sector, gastronomy and aquaculture, tourism/culture/creative economy, links between R&D and production/HR development/young entrepreneurship, ICT development and health/wellness-based economy.
- Ionia Nisia: agro-food sector and gastronomy, blue growth (fisheries, aquaculture, marine tourism), tourism/culture/creative economy, horizontal actions for the promotion

of ICT/green economy/social entrepreneurship, “smart integrated territorial development”.

- Dytiki Makedonia: R&D promotion, boosting the competitiveness of SMEs, low-carbon economy.

### **Labour Market**

All employment-related indicators in the cross border-area are below EU28 averages. The employment rates in the cross border area are considerably lower than the EU28 average (indicatively, 62,2% in 2011):

- in the Albanian part: from 35% to 39%;
- in the Greek part: from 50% to 59%.

The situation is much worse for the young, with youth unemployment ranging in 2011 from 40,6% (Berat) to 52% (Korçë) in the Albanian part (more than double the national average of 21,9%<sup>17</sup>) and from 26% (Ionia Nisia) to 53% (Dytiki Makedonia) on the Greek part, when the respective EU28 figures are at 21,4%, and the Greek national average is 44,4%<sup>18</sup>.

The recent rise in unemployment rates on the Greek part creates acute conditions of extreme poverty which need to be faced. On the other hand, persistent unemployment on the Albanian part is evidence of “structural unemployment” which is connected to several free-market failures the most important of which are:

- a mismatch between labor demand and supply; and
- an inefficient connection between the educational system and the economy (i.e. the available skills are not the ones needed by the market).

### **Social Situation (poverty, inclusion, health)**

The main Greek urban centers in the cross border area are equipped with sufficient health infrastructure including state hospitals and health centers. The city of Ioannina hosts health facilities providing academic level services. The existing facilities on the Greek side are being used in many cases by citizens from both sides of the border, since hospitals in Albania have been facing equipment shortages. However these cross-border relations are dealt with on an ad-hoc basis, and further improvement in co-operation between the two countries is essential.

Persistent poverty on the Albanian side and the onslaught of poverty on the Greek side – due to the recent economic crisis – make access to health services and other social services for vulnerable groups (including the poor and marginalized groups) critical. Additionally, the improvement of human capital, reduction in unemployment, achievement of higher incomes and wider social integration levels, are core programme issues.

### **Education, life-long-learning**

All regions participating in the cross order area exhibit lower education levels than the EU28 averages in 2012, as expressed by the indicator accounting for the share of 25-64 year-olds having completed tertiary education, i.e. international standard classification of education (ISCED) levels 5-6. However, there are large discrepancies between the Greek and the Alba-

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<sup>17</sup> The Albanian statistic is slightly different: it refers to the age group 15-29 yrs-old. Hence, the national average for the 15-24 yr group may be a little higher.

<sup>18</sup> Population and Housing Census 2011 for Albanian employment and unemployment rates, Eurostat 2011 for Greek employment and unemployment rates

nian regions. The Greek regions exhibit relatively higher educational levels (by more than 10 percentage points)<sup>19</sup> than the Albanian districts. However, the educational levels on the Albanian part are approximately at national average, while on the Greek part they are considerably lower than the respective national average.

Educational levels are closely associated with school drop-out rates. The statistic “early leavers from education and training” (formerly “early school leavers”) denotes the percentage of the population aged 18-24 having attained lower secondary education or below and not being currently involved in further education or training and is used to measure “drop-out rates”.

Currently, approximately one third of all European regions do not meet this criterion. Among the Greek regions participating in the programme area, the lowest drop-out rates for the year 2013 are recorded in Dytiki Makedonia which denotes that educational levels are gradually improving and the highest in Ionia Nisia, which denotes that the low educational levels are persisting.

### **LESSONS LEARNT IN CROSS-BORDER CO-OPERATION WITHIN PERIOD 2007-2013**

The global objective of the currently under implementation IPA cross-border cooperation Greece-Albania Programme 2007-2013 is to “*increase the standard of living of the population by promoting sustainable local development in the cross-border area*”. This is further implemented through two priority axes:

- Priority axis 1: Enhancement of cross-border economic development (with entrepreneurship promotion, sustainable tourism, people-to-people and border accessibility measures).
- Priority axis 2: Promotion and development of the environment and natural and cultural resources (with environmental protection and natural/cultural promotion measures).

Even though no specific impact analyses have been conducted during the on-going evaluation of the Programme so as to document the impact of the programme on the cross border area’s standard of living, some conclusions can still be drawn.

The recognition, by “Europe 2020”, of this fact – that global economic crises can quickly sweep away the gradual gains in economic growth and job creation produced over long decades –has led to a total overhaul of EU’s approach to socio-economic development through co-financed programmes. This approach is characterized by:

- a concentration of resources in strategic areas in which countries and regions demonstrate global comparative advantages (RIS3);
- “place-based” interventions – i.e. territorially cohesive and complementary interventions; and
- “result-based” policies.

With respect to the specific IPA cross border cooperation programme Greece-Albania, the mid-term evaluation concludes that even though all projects funded under the first two measures of priority axis 1 (promotion of entrepreneurship and development of sustainable

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<sup>19</sup> Living Standard Measurement Survey 2012 for Albanian higher education levels, Eurostat 2012 for Greek higher education levels

tourism) are relevant for strengthening investment and the production base, however they do not appear to have strongly reshaped the business environment in the cross-border area.

This is mainly because of the very limited availability of funds which:

- Do not allow financing of large investment projects, which can produce visible results in a short period of time.
- Are limited to financing technology transfer, and establishment of networks and partnerships between businesses and /or research institutes, which usually require longer time horizons in order to start producing visible results.

In addition, due to the limited budget size, the Programme seems it can only function synergistically to the centrally planned interventions.

Hence, any new programme that targets the establishment of sustainable economic development and the rise of living standards in the CB area needs to:

- become more focused;
- include a mix of interventions producing long-term and short-term results;
- capitalize on the existence of RIS3 strategies; and
- be highly complementary with mainstream programmes;

in order to be more effective than previous programmes.

However, one area where the programme can have (and in some cases has already had) significant impact, is the effect on policy. A final beneficiary survey has demonstrated that in 60% of cases beneficiaries report that their project contributed to broader changes in policies in the sectors/areas of application. These projects usually concern:

- Production/introduction of new knowledge or technology making policy changes necessary;
- Design of new frameworks/processes making policy changes possible;
- Cooperation networks which result in better bi-lateral understanding and hence policy conversion.

Overall the administrative burden of the programme is deemed to be heavy by the final beneficiaries (especially with respect to administrative procedures followed on the Albanian side and contracting procedures on both sides). An important impediment affecting overall programme progress is apparently linked to the management mode of “Transitional Arrangements” under Article 99 of Regulation (EU) No 718/2007. Therefore, within the regulatory framework of the IPA II instrument the new IPA II cross-border cooperation programme Greece-Albania will be implemented under shared management.

Finally, the establishment of strong partnerships seems to be a core factor for successful implementation of projects. Projects implemented during the current programming period (2007-2013) have strengthened the capacity of Albanian partners to successfully participate in EU funded projects. Nevertheless, the majority of partners involved in the current period were public authorities (on the Albanian and Greek side alike) while socio-economic partners and civil society participated at much lower rates. Hence it is imperative for the new programme to forge new capacities and strengthen collaboration networks.

## Programme Achievements

Until the end of 2013, the **main achievements** of the Programme concern two main areas of focus, based on the level of implementation.

The first sector, where achievements are already obvious and measurable, is tourism and environment. The projects implemented have managed to:

- Develop new tools for the better exploitation of the tourist areas/ heritage, in order to attract more tourists in the cross-border area. This achievement was reached with small scale investments in the cross-border area, with full respect to the protection of the environment, through the use of renewable sources of energy.
- Improve the conditions and provisions of tourism in the eligible area.
- Provide practical cross-border solutions were provided in the area and an intensive level of co-operation was achieved for the benefit of both tourism and environment.

The second sector is the health sector. The programme aims to the improvement of:

- The quality of the health services in the area
- The ability to prevent diseases in a wider population/ target in the whole eligible area
- The medical appliances used by the health services in the cross-border area, allowing, in turn, for more effective health care services.

## Programme Beneficiaries

The projects implemented in the framework of the IPA Cross-border Programme “Greece – Albania 2007 – 2013” affected a significant number and type of beneficiaries in the cross-border area.

- The local/ regional authorities, especially those with a direct responsibilities in the field of tourism:
  - They were provided with new environmental – friendly tools for the promotion of the tourist activity in the cross-border area.
  - The use of the renewable energy sources improves the quality of the tourist product offered in the area bring them closer to the Europe 2020 goals.
- The tourism entrepreneurs of the cross-border area, since their area offers new added-value characteristics to the overall tourist product of the area, hence the area could be fruitfully promoted.
- The employees of the health services in the cross-border area, for they will be using modern equipment, thus being more effective and efficient and contributing to the improvement of life standards in the area.
- The citizens of the cross-border area in two ways:
  - Through the use of environmental-friendly tools/ investments for the promotion of tourism, the environmental heritage of the area will be well-preserved and so will the quality characteristics of the area.
  - Through the acquisition of updated equipment in the health sector, the quality of life in the cross-border area will be highly improved due to the easier access of the local patients from both sides of the borders.

**Evidence of Achievements - from indicators, from evaluation, or from other sources**

The main evidence for the above-mentioned achievements is the attainment of the target indicators set by the projects and contributing to the overall targets of the programme.

A second evidence is the fact that the specific projects responsible for these achievements have been rated as “Best Practices” and have been presented in a focused event, with the presence of EU representatives.

A third and very important evidence is that potential partner organizations of the cross-border area have showed interest in the results of these projects, aiming to further capitalise them.

Finally, one last evidence derives from the ongoing evaluation of the programme, where it is stated that *“the implementation of the Programme strategy pictured by the approved projects is consistent”* and *“the program is still a fundamentally balanced program, showing that measures directly or indirectly supporting one another to achieve its strategic priorities. Until 31.12.2013 projects selections seem to take into account the potential synergies identified to emerge and act multiplier effects expected”*.



**Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis**

Sector	Strengths	Weaknesses <sup>20</sup>	Opportunities	Threats
<b>Demography and spatial patterns, migration</b>	<ul style="list-style-type: none"> <li>▪ Vibrant urban centers concentrating human resources and economic activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Decreasing population and unfavorable demographic trends (e.g. natural increase, age structure) especially for inland and remote areas.</li> <li>▪ Internal and external migration.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant trends of northern Europeans to retire in south Europe</li> <li>▪ Decentralization trends in both residence and workplace (i.e. people taking advantage of the possibilities Information and Communications technologies offer)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuous population decline to the point of no recovery.</li> <li>▪ Aggravation of the population ageing creating social problems.</li> </ul>
<b>Geography and Environment</b>	<ul style="list-style-type: none"> <li>▪ Enhanced geopolitical position, due to the Adriatic Ionian Macro Regional Strategy and to the trans Adriatic pipeline (TAP) natural gas pipeline project.</li> <li>▪ Large habitats and areas of outstanding natural beauty.</li> <li>▪ Extensive coastal front.</li> <li>▪ Rich water resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Extensive mountainous areas with low accessibility.</li> <li>▪ Deficiencies in environmental infrastructure and inadequate implementation of environmental protection policies.</li> <li>▪ Inadequate wastewater treatment in Albania.</li> <li>▪ Inadequate policies/systems</li> </ul>	<ul style="list-style-type: none"> <li>▪ EU blue growth policies and the possibility to manage coastal and inland areas as interconnected natural systems.</li> <li>▪ Technological advancements in water resource management, in energy production and renewable energy sources (RES).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potential severe impacts of climate change on the natural and manmade environment.</li> </ul>

<sup>20</sup>The lack of common strategy between Greece and Albania (policy alignment) should be noted as a horizontal weakness concerning all sectors

Sector	Strengths	Weaknesses <sup>20</sup>	Opportunities	Threats
		for efficient use of resources in Albania.		
<b>Tourism and Culture</b>	<ul style="list-style-type: none"> <li>▪ Important cultural heritage / UNESCO Monuments.</li> <li>▪ Rich and pristine natural areas</li> <li>▪ Variety of landscapes</li> <li>▪ Significant inland undeveloped potential (traditional villages, etc)</li> <li>▪ Huge potential for marine tourism (coasts, marinas, etc)</li> <li>▪ Many common cultural elements in the cross-border area</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inadequate planning &amp; management for mild types of tourism (eco-tourism, religious tourism, etc)</li> <li>▪ Lack of a common action plan for tourist development (no area branding, no special tourist destinations, etc)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recent growth trends in Mediterranean tourism</li> <li>▪ Recent increased cruise traffic in the area</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inadequate planning/management of the carrying capacity of natural habitats and tourist attractions (degradation potential)</li> <li>▪ Natural disasters such as forest fires in rural areas, or floods.</li> </ul>

Sector	Strengths	Weaknesses <sup>20</sup>	Opportunities	Threats
<b>Economy</b>	<ul style="list-style-type: none"> <li>▪ Positive growth rates on the Albanian cross border area</li> <li>▪ Existence of sectors (area specialization) with strong potential for exports: agro-food, tourism, energy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing economic crisis – the Greek cross border area still into recession.</li> <li>▪ Considerable disparities between the two cross border areas with respect to the level of economic development and labour productivity</li> <li>▪ Extensive gap towards meeting the Europe 2020 targets.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Similar productive systems with the potential for cross-border linkages, vertical integration of productive structures, and trade.</li> <li>▪ Significant R&amp;D potential especially on the Greek cross-border area – potential for incorporation into productive processes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Slow global economic growth rates for 21<sup>st</sup> century</li> <li>▪ Intense competition due to globalization of world economy</li> </ul>
<b>Research and Innovation</b>	<ul style="list-style-type: none"> <li>▪ Established Universities and Research Centers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Predominantly small and micro enterprises with poor performance in clustering, technological development and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Smart Specialization Strategies</li> <li>▪ E2020 targets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inward looking academic sector: it has for too long depended on public financing and hence lacks the incentive to find alternative sources of funding (e.g. from business sector)</li> <li>▪ Academic sector orientation towards basic and not applied research</li> </ul>

Sector	Strengths	Weaknesses <sup>20</sup>	Opportunities	Threats
<b>Labour Market</b>	<ul style="list-style-type: none"> <li>▪ Favourable age structure of the population on the Albanian area.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Low rates of participation in employment on the Albanian area</li> <li>▪ High rates of unemployment, youth and women unemployment everywhere.</li> </ul>	<ul style="list-style-type: none"> <li>▪ EU policies for increasing labour mobility have the potential to reduce localized unemployment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Limited job opportunities due to prolonged recession.</li> <li>▪ Incorporation of digital technologies (as a competitiveness promotion measure) into the economy may cut down on the number of available jobs.</li> </ul>
<b>Social Situation</b>	<ul style="list-style-type: none"> <li>▪ Sufficiently equipped with basic healthcare infrastructure including state hospitals and health centers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Deficiencies in hospital services, emergency health care services in remote areas and e-health services.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The growth of digital applications presents opportunities for increasing the access to health services for vulnerable groups and remote areas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Worsening of poverty due to prolonged recession / increase in economic and social exclusion as a consequence.</li> </ul>
<b>Education, life-long-learning</b>	<ul style="list-style-type: none"> <li>▪ Fairly good educational attainment on the Greek area</li> </ul>	<ul style="list-style-type: none"> <li>▪ Low educational attainment on the Albanian area.</li> <li>▪ Low tertiary education attainment everywhere.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Smart Specialization Strategies present the opportunity to link education to the most dynamic parts of the local economy</li> </ul>	

Sector	Strengths	Weaknesses <sup>20</sup>	Opportunities	Threats
<b>Accessibility and transport</b>	<ul style="list-style-type: none"> <li>▪ Ports with passenger, tourist and commercial traffic.</li> <li>▪ Improved road network and crucial infrastructure under construction.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Deficiencies in the secondary road network.</li> <li>▪ Main accessibility still provided by the regional road network.</li> <li>▪ Inadequate air and rail transport infrastructure (which is crucial for the development of tourism).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Exploiting possibilities and prospects in the context of Adriatic – Ionian Macro-Regional Strategy.</li> <li>▪ Opportunity to shift from energy-consuming and environment-hostile road transport to other means (e.g. maritime transport) due to the constantly raising fuel prices.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of resources required for large infrastructure due to prolonged economic recession.</li> </ul>
<b>Communications</b>	<ul style="list-style-type: none"> <li>▪ Existing cooperation experience of potential beneficiaries from previous programming periods.</li> <li>▪ Significant progress on telecommunications in both countries over the last 10 years (internet connectivity and mobile telephony).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most networks are “old generation” with relatively low speeds in Albania.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Digital content applications are a vastly growing field world-wide</li> </ul>	<ul style="list-style-type: none"> <li>▪ The demand for internet resources may grow faster than the capacity of local networks to accommodate it</li> </ul>

**1.1.2. Justification for the choice of thematic priorities, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation**

**Table 1: Justification for the selection of thematic priorities**

Selected thematic priority	Justification for selection
<ul style="list-style-type: none"> <li>• <b>Thematic priority (c). Promoting sustainable transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities</b></li> </ul>	<p>The eligible cross border area is characterized by low quality and density of infrastructure in the fields of transport, information and communications technology (especially in the Albanian area), and environmental infrastructure (mainly in the Albanian area).</p> <p>At the same time, environmental issues are of significant cross-border importance and impact (e.g. wastewater management and water quality monitoring) and require joint action in order to be resolved. Coordinated improvements in transport can benefit all participating regions by both promoting exchanges of goods and people and the proliferation of other economic activity forms (e.g. e-business), thus contributing to thematic priorities d and g (see below).</p>
<ul style="list-style-type: none"> <li>• <b>Thematic priority (b). Protecting the environment &amp; promoting climate change adaptation &amp; mitigation, risk prevention &amp; management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness</b></li> </ul>	<p>This relates directly to one of the indicative priorities for the Greece-Albania cross border area as defined in the Greek Partnership Agreement. Environmental protection is also a major priority for Albanian EU accession.</p> <p>The eligible cross border area is rich in natural resources and both countries face similar problems: the potential of renewable energy sources have not been fully exploited, there are common cross-border water management issues (surface and groundwater), wastewater pollution impacts are felt at great distances and across the border, natural risks can quickly become cross border issues (e.g. forest wildfires) prevention.</p> <p>In addition, there are bilateral agreements between the two countries such as the AGREEMENT on trans boundary freshwater issues (Greek Law 3405/2005 Official Government Gazette of Greece 264/25-10-2005) and the MEMORANDUM OF UNDERSTANDING AND COOPERATION between Greece and Albania in the field of Environmental Protection (not yet ratified by Greece). The adoption of environmental policies is also key for the long-term economic development of the cross border area as it largely depends on the quality of</p>

	<p>its environment (tourism). Energy efficiency and clean re-newable energy also improve the quality of environment, as these can improve air quality and link ‘coordinated improvements in transport’ with air quality and reductions of particulate matter (PM) and nitrogen dioxide (NO<sub>2</sub>) emissions.</p> <p>Finally, the growth of green economy and environmental awareness indicates that environmental issues remain a major concern in the programme area.</p>
<ul style="list-style-type: none"> <li>• <b>Thematic priority (d). Encouraging tourism and cultural and natural heritage</b></li> </ul>	<p>The cross border area is rich in unique and diverse cultural and natural resources which could be used for the expansion of tourist economic activity thus decreasing unemployment. This potential has not been sufficiently exploited in the past.</p> <p>Currently, tourist activity is concentrated on the coastal and island areas, and mainly on the Greek cross border area, while the potential for alternative forms of tourism – which would prolong the tourist season and tap new markets – is not sufficiently developed yet.</p>
<ul style="list-style-type: none"> <li>• <b>Thematic priority (g). Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets an internationalization</b></li> </ul>	<p>The cross border area suffers from high unemployment: in the Albanian side due to long-standing inadequate economic activity, and in the Greek side due to the recent recession caused by the global economic and the Greek fiscal crisis.</p> <p>Unemployment in turn causes many social problems such as poverty, social exclusion, public health deterioration, etc. Prerequisite for the alleviation of these problems is the “re-start” of the local economy.</p>

## **1.2 Justification for the financial allocation**

The overall budget of Interreg IPA II cross-border cooperation programme “Greece - Albania 2014-2020” is EUR 35.965.222 (EU contribution).

The financial allocation between the selected thematic priorities was done by taking into account:

- The Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund (ERDF) to the European territorial cooperation goal Article 17, technical assistance.
- The Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014, on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II).
- The outputs of the ongoing evaluation of the IPA cross-border cooperation programme “Greece - Albania 2007-2013” and especially the data pertaining to the unit costs of the various interventions.
- The results on the relative importance of the selected thematic priorities through the stakeholder consultation process and the results from the diagnostic report for the cross border area (relative needs / SWOT).
- The National Albanian priorities for development and growth for 2014-2020, and the indicative priorities for the Albanian-Greek cross-border cooperation area as expressed in the Greek Partnership Agreement 2014-2020.

The estimated budget allocation corresponds to the importance of each thematic priority for the cross border area, as it was adjusted in order to account for the varying cost of typical interventions under each specific objective. More specifically:

### Priority axis 1. Promotion of the environment, sustainable transport and public infrastructure (thematic priority c & thematic priority b)

50% of the programme total budget is allocated to this priority axis which contributed both to sustainable growth (directly) and to smart growth (indirectly through the development/upgrade of transport and information and communications technology applications): 40% to infrastructure in the fields of transport, information and communications technology and environment (Infrastructure interventions tend to gather a larger share of resources due to the higher unit cost of interventions) and 10% is devoted to environmental protection soft actions.

### Priority axis 2. Boosting the local economy (thematic priority d & thematic priority g)

40% of the programme total budget is allocated to this priority axis which is entirely focused on economic development and smart growth: 25% is concentrated to the promotion of tourism - especially through the preservation/promotion of natural and cultural heritage – as this sector presents a comparative advantage for the cross-border area and 15% is devoted to across-the-board improvements in entrepreneurship (such as hosting facilities, business services, clusters, etc).

### Priority axis 3. Technical assistance

10% of the programme total budget is allocated to technical assistance as per regulations.



Shared management imposes increased needs on the Albanian side in setting up appropriate procedures and developing implementation knowhow. Moreover the MA will need external support in conducting studies regarding the Programme Implementation, independent evaluation and surveys (especially for the 2 survey-based indicators).

Table 2: Overview of the investment strategy of the cooperation programme

Priority axis	Union support (in EUR)	Proportion (%) of the total Union support for the cooperation programme	Thematic priorities
<b>PA1. Promotion of the environment sustainable transport &amp; public infrastructure</b>	14.386.089	40%	Thematic priority (c). Promoting sustainable transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities
	3.596.522	10%	Thematic priority (b). Protecting the environment & promoting climate change adaptation & mitigation, risk prevention & management
<b>PA2. Boosting the local economy</b>	8.991.306	25%	Thematic priority (d). Encouraging tourism and cultural and natural heritage
	5.394.783	15%	Thematic priority (g). Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation
<b>PA3. Technical assistance</b>	3.596.522	10%	Technical assistance
<b>TOTAL</b>	35.965.222	100%	

**SECTION 2. PRIORITY AXES**

**SECTION 2.1. DESCRIPTION OF THE PRIORITY AXES**

**2.1.1 Priority axis 1 “Promotion of the environment, sustainable transport and public infrastructure”**

<i>ID of the priority axis</i>	<i>1</i>
<i>Title of the priority axis</i>	<i>Promotion of the environment &amp; sustainable transport and public infrastructure</i>

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	No
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	No
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	No

**2.1.1.1 Fund, calculation basis for Union support and justification of the calculation basis choice**

<i>Fund</i>	<i>IPA II</i>
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	<i>Total eligible expenditure</i>
<i>Justification of the calculation basis choice</i>	<i>In order to promote and equally finance the non-public eligible sector</i>

**2.1.1.2 The specific objectives of the thematic priority and expected results**

<i>ID</i>	<i>1.1</i>
<i>Specific objective</i>	<i>Increase the capacity of cross border infrastructure in</i>

	transport, water & waste management
<i>The results that the partner States seek to achieve with Union support</i>	<p>Increased share of water resources used sustainably.</p> <p>Increased capacity for wastewater treatment.</p> <p>Increased share of solid waste managed sustainably.</p> <p>Improved maturity of cross-border accessibility interventions</p>

### 2.1.1.3 Elements of other thematic priorities added to the priority axis

<i>ID</i>	1.2
<i>Contribution to the specific objective of the priority axis</i>	Increase the effectiveness of environmental protection & sustainable use of natural resources
<i>The results that the partner States seek to achieve with Union support</i>	<p>Better management of natural-protected sites.</p> <p>Improved institutional capacity and coordinated policies in environmental protection and sustainable use of natural resources.</p>
<i>ID</i>	1.3
<i>Contribution to the specific objective of the priority axis</i>	Increase energy-efficiency and the use of RES.
<i>The results that the partner States seek to achieve with Union support</i>	<p>Reduced overall energy consumption in the public sector.</p> <p>Increased share of energy from RES in the public sector.</p> <p>Increased population awareness regarding energy efficiency.</p>
<i>ID</i>	1.4
<i>Contribution to the specific objective of the priority axis</i>	Improve the effectiveness of risk prevention and disas-

<i>tive of the priority axis</i>	ter management with a focus on forest fires
<i>The results that the partner States seek to achieve with Union support</i>	<p>Improved cross border preparedness for effective management of natural disasters.</p> <p>Coordinated decision making tools and early warning systems.</p> <p>Reduction of damages from forest fires.</p> <p>Improved Civil Protection – Better Informed Public.</p>

**2.1.1.4 Actions to be supported under the thematic priority (by thematic priority)**

**2.1.1.4.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries**

<i>Thematic priority</i> <i>(c)</i>	Promoting sustainable transport, information and communications networks & services and investing in cross-border water, waste & energy systems and facilities
<p><b>Specific Objective: 1.1 Increase the capacity of CB infrastructure in transport, water &amp; waste management</b></p> <p><b>Indicative Types of Actions:</b></p> <ul style="list-style-type: none"> <li>• Planning/construction/rehabilitation of water mgmt/supply infrastructure and drinking water quality monitoring systems</li> <li>• Measures to reduce non-revenue water (NRW), i.e. drinking water produced and lost before it reaches the customer (e.g. advanced water metering, unauthorized consumption controls, CADD &amp; GIS, SCADA systems, flow monitoring, leak detection equipment, etc)</li> <li>• Planning, construction and rehabilitation of border crossings; planning, construction and rehabilitation of road network;</li> <li>• Planning, construction and rehabilitation of maritime port infrastructure, replacement/improvement of port superstructure and construction of multi-modal facilities;</li> <li>• Smart transport systems and ICT applications in the transport and flow of people sector;</li> <li>• Monitoring of the emissions from transport activities, such as shipping and the impact on the port cities and other shore areas;</li> <li>• Planning, construction and rehabilitation of small wastewater management infrastruc-</li> </ul>	

<p>ture and surface water quality monitoring systems;</p> <ul style="list-style-type: none"> <li>• Planning, construction and supply activities for sustainable solid waste management infrastructure/actions, including recycling and composting.</li> </ul> <p><b>Main Target Groups:</b></p> <ul style="list-style-type: none"> <li>• National, regional and local authorities;</li> <li>• Local population and visitors;</li> <li>• Enterprises (SMEs)</li> </ul> <p><b>Specific Territories Targeted:</b> the entire cross border area</p> <p><b>Types of beneficiaries:</b></p> <ul style="list-style-type: none"> <li>• National, regional and local authorities;</li> <li>• Regional and sector development agencies;</li> <li>• Research and academic institutes;</li> <li>• Non-governmental organizations, non-profit-organizations, and cross-border cooperation networks.</li> </ul>
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<p><i>Thematic priority (b)</i></p>	<p>Protecting the environment &amp; promoting climate change adaptation &amp; mitigation, risk prevention &amp; management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.</p>
<p><b>Specific Objective:1.2 Increase the effectiveness of environmental protection &amp; sustainable use of natural resources</b></p> <p><b>Indicative Types of Actions:</b></p> <ul style="list-style-type: none"> <li>• Joint initiatives for environmental protection (planning and small-scale investment);</li> <li>• Actions for the restoration, protection and efficient management of natural protected areas (e.g. Natura sites), with a focus on marine endangered species; planning for adaptation of ecosystems to climate change;;</li> <li>• Joint initiatives for monitoring and preventing air pollution (including initiatives for monitoring and preventing harmful air pollutants such as PM and NO2 in order to help in reaching or maintaining compliance with current EU air quality legislation), ground pollution, water pollution and usage (as per Directive 2000/60/EC) and marine pollution</li> </ul>	

with a special focus on coordinated maritime plans for prevention of marine pollution and protection of bathing waters;

**Main Target Groups:**

- Local population
- National, regional and local authorities

**Specific Territories Targeted:** the entire cross-border area

**Types of beneficiaries:**

- National, regional and local authorities;
- Regional and sector development agencies;
- Research and academic institutes;
- Non-governmental organizations, non-profit-organizations, and cross-border cooperation networks.

**Specific Objective: 1.3 Increase energy efficiency and the use of RES**

**Indicative Types of Actions:**

- Small scale (pilot) investments in energy efficiency and use of RES in public buildings and public spaces;
- Joint public awareness initiatives for energy efficiency and the use of RES in residences and businesses.

**Main Target Groups:**

- Local population
- National, regional and local authorities

**Specific Territories Targeted:** the entire cross-border area

**Types of beneficiaries:**

- National, regional and local authorities;

**Specific Objective: 1.4 Improve the effectiveness of risk prevention and disaster management with a focus on forest fires**

**Indicative Types of Actions:**

Two types of actions are promoted under this priority axis to contribute to the Specific Objective (hard investments in equipment, systems, etc and soft interventions):

- Investments for increasing disaster resilience/institutional capacity (equipment, vehicles, small infrastructure, etc);

- Joint early warning and disaster management systems;
- Small scale construction works for risk prevention and response to natural hazards and the consequences of climate change (including interventions for risk preventions in natural and cultural heritage sites);
- Joint public awareness initiatives (including risk communication, information sharing training, etc) related to natural and man-made disaster management (civil protection) covering all public groups (including vulnerable groups such as people with disabilities, etc);
- Joint activities for improving the planning, cooperation and response capacity for disaster management (e.g. joint strategies and common civil protection plans, joint risk assessments and mapping, climate adaptation plans, etc) covering all public groups (including vulnerable groups such as people with disabilities);
- Software for the prediction and management of: pest outbreaks, epidemics, severe natural phenomena (e.g. hail, waterspouts, etc) and protocols for their treatment.

**Main Target Groups:**

- Local population and visitors;
- National, regional and local authorities

**Specific Territories Targeted:** the entire cross border area

**Types of beneficiaries:**

- National, regional and local authorities;
- Regional and sector development agencies;
- Research and academic institutes;
- Non-governmental organizations, non-profit-organizations, and cross-border cooperation networks.

**2.1.1.4.2 Guiding principles for the selection of operations**

<p><i>Thematic priority</i> (c)</p>	<p>Promoting sustainable transport, information and communications networks &amp; services and investing in cross-border water, waste &amp; energy systems and facilities</p>
<p>For infrastructure in the thematic areas of transport, water, and waste management, funds will be channeled on a priority basis to projects with significant cross-border impacts even if the infrastructure is located on only one side of the border.</p>	
<p>Any development and upgrading of transport infrastructure should be embedded in sustainable urban or regional mobility plans which are linked to air quality plans under Directive</p>	



2008/50/EC. For all port infrastructure, air quality measures should be taken into account to reduce the negative effects of marine pollution. Also, in the event of actions that modify the hydromorphological characteristics of a water body (e.g. port infrastructure) causing deterioration in the status, appropriate analysis will be required as per Article 4.7 of the WFD 2000/60 to be carried out as early as possible in the planning process. This would entail the analysis of alternatives (better environmental options), the establishment of the necessary mitigation measures and a justification of the importance of the project for overriding public interest.

In the pollution prevention thematic area (e.g. waste-water treatment), funds will be channeled on a priority basis to projects addressing pollution problems with spill-over effects (on the other side of the border).

Priority will be given –wherever possible - to “green infrastructure” over “gray infrastructure” and to “risk-sensitive infrastructure”.

For all thematic areas, projects with broad area impacts/significance will receive priority over projects with localized effects, unless the latter are pilot actions with best practice potential (in this case transferability will have to be demonstrated).

Projects following the principles (as applicable) of equality between men and women, non-discrimination and accessibility to persons with disabilities, and sustainable development, will receive preference over other equally deserving projects.

All infrastructure and media (including electronic media) projects shall meet the requirements of the General Regulation 1303/2013, article 7 concerning the implementation of the principles of non discrimination and accessibility to persons with disabilities.

<p><i>Thematic priority</i>  (b)</p>	<p>Protecting the environment &amp; promoting climate change adaptation &amp; mitigation, risk prevention &amp; management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.</p>
<p>In the environmental/bio-diversity protection and management of protected sites thematic area, funds will be channeled on a priority basis to projects in compliance with the National Priority Action Plans or National Strategies (to the extent they exist) for biodiversity/protection of natural areas, on projects which focus on prevention methods (pro-active) and on projects focusing on endangered species (especially common or migratory species).</p> <p>In the risk prevention thematic area, funds will be channeled on a priority basis to forest fire prevention and response. Any other actions will be limited and complementary. In the event flood prevention actions are included, coordination within river basin districts should be ensured in order not to support measures that significantly increase flood risks upstream or downstream. Especially for actions that modify the hydromorphological characteristics of a</p>	

water body causing deterioration in the status, appropriate analysis will be required as per Article 4.7 of the WFD 2000/60 to be carried out as early as possible in the planning process. This would entail the analysis of alternatives (better environmental options), the establishment of the necessary mitigation measures and a justification of the importance of the project for overriding public interest.

All risk prevention projects will be required to be listed in or implied by the National or Regional Civil Protection Plans (to the extent they exist). Projects addressing risks and disaster management at an adequate bio-geographical scale (e.g. at an entire mountainous zone etc) will receive priority over other actions.

In the pollution prevention thematic area, funds will be channeled on a priority basis to projects addressing pollution problems with spill-over effects (on the other side of the border).

In the energy efficiency and use of renewable energy sources thematic area, funds will be channeled on a priority basis to pilot projects, and technology transfer capitalizing on the experience of cross-border partners. As a general rule, no biomass projects will be funded. In the unlikely case where biomass actions are included in any specific project, approval will be conditional on strict emission standards and abatement measures reducing emissions. Hydropower projects will not be financed by the Cooperation Programme as they exhibit significant adverse impacts on aquatic systems.

For all thematic areas, projects with broad area impacts/significance will receive priority over projects with localized effects, unless the latter are pilot actions with best practice potential (in this case transferability will have to be demonstrated).

Projects following the principles (as applicable) of equality between men and women, non-discrimination and accessibility to persons with disabilities, and sustainable development, will receive preference over other equally deserving projects.

All infrastructure and media (including electronic media) projects shall meet the requirements of the General Regulation 1303/2013, article 7 concerning the implementation of the principles of non discrimination and accessibility to persons with disabilities.

#### 2.1.1.4.3 Planned use of financial instruments

<i>Thematic priority</i> (c)	Promoting sustainable transport, information and communications networks & services and investing in cross-border water, waste & energy systems and facilities
<i>Planned use of financial instruments</i>	No financial instruments will be used
<i>Thematic priority</i> (b)	Protecting the environment & promoting climate change adaptation & mitigation, risk prevention & management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy

	sources and the shift towards a safe and sustainable low-carbon economy promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.
<i>Planned use of financial instruments</i>	No financial instruments will be used

### 2.1.1.5 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of Regulation (EU) No 231/2014)

#### 2.1.1.5.1 Priority axis 1 result indicators

**Table 3: Programme specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) <sup>21</sup>	Source of data	Frequency of reporting
<i>Specific Objective 1.1</i>							
	<i>Volume of urban effluents under secondary treatment</i>	<i>million m3</i>	<i>30</i>	<i>2014</i>	<i>41,31</i>	<i>Greek Min.of Environ./Albanian Ministry of European Integration</i>	<i>Bi-annually</i>
	<i>Percentage of solid waste managed sustainably</i>	<i>%</i>	<i>75</i>	<i>2014</i>	<i>79</i>	<i>Solid Waste Management Bodies</i>	<i>Bi-annually</i>
	<i>% of cross-border vertical axes to Egnatia motorway either constructed or with sufficient maturity to be constructed.</i>	<i>%</i>	<i>80,41</i>	<i>2014</i>	<i>100</i>	<i>Egnatia Odos S.A.</i>	<i>Annually</i>
<i>Specific Objective 1.2</i>							

<sup>21</sup> Target values may be qualitative or quantitative.

	<i>Level of preservation of the protected natural CB areas</i>	<i>%</i>	<i>72,08</i>	<i>2015</i>	<i>79,29</i>	<i>survey</i>	<i>Bi-annually</i>
<i>Specific Objective 1.3</i>							
	<i>Energy Efficiency Awareness Barometer</i>	<i>number</i>	<i>5,94 (on a 1-10 scale)</i>	<i>2015</i>	<i>7 (on a 1-10 scale)</i>	<i>survey</i>	<i>Bi-annually</i>
<i>Specific Objective 1.4</i>							
	<i>Area damaged by forest fires (5-yr rolling annual average)</i>	<i>hectares</i>	<i>15010,89</i>	<i>2014</i>	<i>13450</i>	<i>European Forest Fire Information System</i>	<i>Annually</i>

2.1.1.5.2. Priority axis 1 output indicators

Table 4: Common and programme specific output indicators

ID	Indicator ( <i>name of indicator</i> )	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
<i>Thematic priority (c)</i>					
CO20	<i>Additional population served by improved water supply</i>	<i>inhabitants</i>	<i>50000</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
CO21	<i>Additional population served by improved wastewater treatment</i>	<i>inhabitants</i>	<i>24000</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
	<i>Additional solid waste management capacity created</i>	<i>Tonnes/yr</i>	<i>4000</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
	<i>Kilometers of CB road network studied</i>	<i>km</i>	<i>30</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
	<i>Number of square meters of border crossing buildings studied or constructed</i>	<i>m<sup>3</sup></i>	<i>200</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
<i>Thematic priority (b)</i>					
CO25	<i>Surface area of habitats supported in order to attain a better conservation status</i>	<i>hectares</i>	<i>80000</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
CO34	<i>Decrease of annual primary energy consumption of public buildings</i>	<i>Kwh/year</i>	<i>130000</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
	<i>People participating in awareness actions</i>	<i>participants</i>	<i>4300</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>

<b>CO23</b>	<i>Population benefiting from forest fire protection measures</i>	<i>inhabitants</i>	<i>11500</i>	<i>Programme Management Information System (MIS)</i>	<i>Annual</i>
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### 2.1.1.6 Categories of intervention

The categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support are described in the following tables.

**Tables 5-7: Categories of intervention**

<b>Table 5: Dimension 1 – Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
<i>1</i>	13	719.305
	17	899.129
	18	2.697.392
	21	894.785
	22	4.500.000
	30	394.783
	34	4.000.000
	40	1.000.000
	85	1.078.956
	88	1.798.261

<b>Table 6: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
<i>1</i>	01 Non-repayable grant	17.982.611

<b>Table 7: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
<i>1</i>	07 Not Applicable	17.982.611



### 2.1.2 Priority axis 2 “Boosting the local economy”

<i>ID of the priority axis</i>	2
<i>Title of the priority axis</i>	<i>Boosting the local economy</i>

<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments	No
<input type="checkbox"/> The entire priority axis will be implemented solely through financial instruments set up at Union level	No
<input type="checkbox"/> The entire priority axis will be implemented through community-led local development	No

#### 2.1.2.1 Fund, calculation basis for Union support and justification of the calculation basis choice

<i>Fund</i>	<i>IPA II</i>
<i>Calculation basis (total eligible expenditure or public eligible expenditure)</i>	<i>Total eligible expenditure</i>
<i>Justification of the calculation basis choice</i>	<i>In order to promote and equally finance the non-public eligible sector</i>

#### 2.1.2.2 The specific objectives of the thematic priority and expected results

<i>ID</i>	2.1
<i>Specific objective</i>	Preserve cultural and natural resources as a prerequisite for tourism development of the cross border area.
<i>The results that the partner States seek to achieve with Union support</i>	Contribute to growth in the tourist business sector Improved capacity to sustainably use natural and cultural resources in the cross-border area. Preserved/protected/promoted cultural and natural as-

	sets.
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<i>ID</i>	2.2
<i>Contribution to the specific objective of the priority axis</i>	Improve cross-border capacity to support entrepreneurship, business survival and competitiveness (The inclusion of thematic priority (g) contributes to specific objective 2.1).
<i>The results that the partner States seek to achieve with Union support</i>	Improved capacities of regional actors/facilities to support the development/growth of businesses Improved cross-border business survival Collaborative schemes of businesses. Increase in exports of CB businesses.

### 2.1.2.3 Elements of other thematic priorities added to the priority axis

### 2.1.2.4 Actions to be supported under the thematic priority (by thematic priority)

#### 2.1.2.4.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

<i>Thematic priority (d)</i>	Encouraging tourism and cultural and natural heritage
<p><b>Specific Objective 2.1: Preserve cultural and natural resources as a prerequisite for tourism development of the cross border area.</b></p> <p><b>Indicative Types of Actions:</b></p> <p>1. <i>Collaboration schemes between businesses and non-businesses (e.g. museums) in the tourism/culture area such as:</i></p> <ul style="list-style-type: none"> <li>○ formal and informal business schemes between accommodation facilities, convention centres, manufacturing businesses, transport facilities, cultural facilities, etc – in order to introduce integrated tourist destinations in the cross-border area;</li> <li>○ tourist branding of areas, branding of “green”, and “traditional” products re-</li> </ul>	

specting and promoting the cross-border area cultural and natural heritage, etc.

2. *Development of business support services such as information and communications technology systems (e.g. web-platforms, information and communications technology applications for accommodations, virtual tours for archaeological sites, mobile apps for hiking, etc), business consulting, etc to support tourist economic activity.*
3. *Capacity-building actions in the field of cultural preservation such as:*
  - knowledge transfer and exchange of good practices in the area of preservation of natural and cultural heritage with pilot applications;
  - joint development and pilot testing of innovative techniques in the area of cultural heritage preservation, including training;
4. *Rehabilitation/protection/promotion of cultural assets of cross-border significance including monuments (such as UNESCO sites), museums and other cultural facilities but mobile assets as well (e.g. art, special collections, etc.); rehabilitation/protection/adaptation/promotion for eco-tourism and tourism-for-all usage of natural assets of cross-border significance.*
5. *Cross-border area-wide cultural initiatives such as:*
  - promotional events of cultural resources and joint actions promoting common cultural identity;
  - actions enhancing the awareness of cross-border area cultural heritage;
  - cross-border exchanges of cultural events (including art and archaeological exhibitions).

**Main Target Groups:** cross-border area population and visitors, tourists, area businesses

**Specific Territories Targeted:** the entire cross-border area will be targeted

**Types of beneficiaries:**

- National, regional and local authorities and their institutions dealing with natural and cultural heritage, and regional development planning;
- Protected area management bodies and bodies responsible for environmental protection, cultural asset management bodies, museums, art collections and other cultural organizations;
- Non-governmental organizations, non-profit-organizations and other civil society associations dealing with natural resources, and cultural issues.
- Collective professional organizations of the tourism industry.

<p><i>Thematic priority (g)</i></p>	<p>Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.</p>
<p><b>Specific Objective 2.2: Improve cross-border capacity to support entrepreneurship, business survival and competitiveness.</b></p> <p><b>Indicative Types of Actions:</b></p> <ol style="list-style-type: none"> <li>1. <i>Development of new and improvement/modernization of existing business-hosting facilities such as:</i> <ul style="list-style-type: none"> <li>○ business incubators and</li> <li>○ business support facilities such as market places, exhibition halls, outlets, depots and logistics centres, laboratories or other technological installations, etc.</li> </ul> </li> <li>2. <i>Development of business support services such as information and communications technology systems (e.g. web-platforms), business consulting, etc to support cross-border economic activity.</i></li> <li>3. <i>Development of services fostering productivity such as:</i> <ul style="list-style-type: none"> <li>○ business-specific training programmes for new and existing employees, including on-the-job training and apprenticeships; and</li> <li>○ actions facilitating the introduction of innovation into the production process (such as transfer of intellectual property rights, and knowledge transfer from research institutes to businesses, introduction of organizational innovation, etc.)</li> </ul> </li> <li>4. <i>Creation of clusters or other types of “networks” (e.g. “value-chains”) for the achievement of cost-savings, common research and product development, common export promotion, etc. including networking with research institutes.</i></li> <li>5. <i>Joint or common (horizontal) export support services for cross-border businesses and competitiveness facilitation (e.g. product standards, electronic catalogues, e-tendering, e-invoicing, packaging, labeling, transport identification, merchandise tracking, participation to exhibitions, business-promotion events, common web-sites, etc).</i></li> <li>6. <i>Cross-border business-plans with pilot applications of cross-border collaborative schemes between individual businesses and/or sectors/sub-sectors targeting:</i> <ul style="list-style-type: none"> <li>○ cross-border trade between area businesses (e.g. trade in locally produced food products);</li> <li>○ establishment of new cross-border “business organization models” (e.g. contract farming or partnerships between producers and consumers, “modular or</li> </ul> </li> </ol>	

chain production networks”, etc)

Priority Sectors:

- agro-food sector, including aquaculture
- ICT development
- Health/wellness-based economy

**Main Target Groups:** businesses, people intending to exercise entrepreneurial activity in the area (including the currently unemployed)

**Specific Territories Targeted:** the entire cross-border area will be targeted

**Types of beneficiaries:**

- National, regional and local authorities and their departments responsible for business support;
- Business chambers, non-governmental organizations, non-profit-organizations, cross-border networks and other business associations dealing with business support in the cross-border area;
- Chambers, collective organizations and associations representing businesses and other professionals participating in the agro-food value-chain;
- National, regional and local authorities and their departments responsible for business support;
- Universities and research institutes in the cross-border area;
- Training institutions in the cross-border area.

#### 2.1.2.4.2 Guiding principles for the selection of operations

<i>Thematic priority (d)</i>	Encouraging tourism and cultural and natural heritage
<p><i>All projects funded under the thematic priority will be required to have a tourist orientation. Preference will be given to projects addressing integrated tourist destinations/products involving sites/partners from both sides of the border.</i></p> <p>Funds will be channeled on a priority basis to projects involving/exploiting cultural/natural assets of a cross border significance, either tangible (e.g. monuments, art articles, etc) or intangible (e.g. traditions).</p> <p>Projects following the principles (as applicable) of equality between men and women, non-discrimination and accessibility to persons with disabilities principles and sustainable development, will receive priority.</p>	

All infrastructure and media (including electronic media) projects shall meet the requirements of the General Regulation 1303/2013, article 7 concerning the implementation of the principles of non discrimination and accessibility to persons with disabilities.

<p><i>Thematic priority (g)</i></p>	<p>Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.</p>
<p>For all actions under this thematic priority funds will be channeled on a priority basis to projects supporting <i>youth and female entrepreneurship</i>, incorporation of <i>research &amp; development</i> into the productive process and the promotion of “<i>smart specialization</i>” sectors of the economy (especially the agro-food sector) in coherence with the research and innovation strategies for Smart specialisation (RIS3) for the Greek regions and the priority sectors identified by Albania.</p> <p>More specifically, the following productive sectors will be promoted on a priority basis:</p> <ul style="list-style-type: none"> <li>• agro-food sector;</li> <li>• gastronomy/tourism/culture/creative economy;</li> <li>• blue growth (fisheries, aquaculture, marine tourism);</li> <li>• ICT development;</li> <li>• health/wellness-based economy, and</li> <li>• low – carbon economy.</li> </ul> <p>With respect to business hosting structures, funds will be channelled on a priority basis to facilities that can exhibit a cross-border effect.</p> <p>With respect to business support services, information and communications technology systems, training actions and transfer of technology, priority will be given to projects covering businesses from both sides of the border in the same sector/subsector.</p> <p>For clusters, export promotion actions and business plans, funds will be channelled on a priority basis to projects covering either similar businesses from both sides of the border (e.g. furniture producers) or entire value-chains i.e. business producing parts of a finished product (e.g. milk producers and dairy companies), or businesses providing inputs/materials/services to other businesses (e.g. hotels, restaurants, tour operators, etc). All such actions will be required to include businesses from both sides of the border. Especially, with respect to “business plans” priority will be given to projects which promote bilateral trade and/or vertical integration in the production process of businesses from both sides of the border.</p> <p>Also, where relevant, priority will be given to projects:</p> <ul style="list-style-type: none"> <li>• promoting accessibility/use or employment of people with disabilities;</li> <li>• promoting entrepreneurship or employment of individuals from special groups more</li> </ul>	

at risk of unemployment, poverty and/or exclusion.

- promoting cooperation between research institutions and innovative SMEs located in the programme area focusing on common innovative projects, transfer of knowledge and improvement of existing networks, etc. Competitiveness and trade facilitation in a broad sense can include all such aspects, which help to increase competitiveness, productivity and facilitate trade in relation to e.g. product standards, electronic catalogues, procurement, e-tendering, e-invoicing, customer service, processing methods, process control, business processes, packaging, labelling, storage, transport, identification, tracking and facilitating export and import and transit processes.
- in coherence with the research and innovation strategies for Smart specialisation (RIS3), which is considered as the locomotive of growth in the Greek Regional Cooperation Programme of the eligible areas.

All infrastructure and media (including electronic media) projects shall meet the requirements of the General Regulation 1303/2013, article 7 concerning the implementation of the principles of non discrimination and accessibility to persons with disabilities.

**2.1.2.4.3 Planned use of financial instruments**

<i>Thematic priority (d)</i>	Encouraging tourism and cultural and natural heritage
<i>Thematic priority (g)</i>	Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.
<i>Planned use of financial instruments</i>	No financial instruments will be used

### 2.1.2.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of Regulation (EU) No 231/2014)

#### 2.1.2.6.1 Priority axis 2 result indicators

**Table 8: Programme specific result indicators**

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) <sup>22</sup>	Source of data	Frequency of reporting
<i>Specific Objective 2.1.</i>							
	<i>Annual overnight tourist stays of the cross border area</i>	<i>millions</i>	<i>9</i>	<i>2014</i>	<i>9,54</i>	<i>EL.STAT / INSTAT</i>	<i>Bi-annually</i>
<i>Specific Objective 2.2</i>							
	<i>Active CB enterprises</i>	<i>number</i>	<i>97883</i>	<i>2013</i>	<i>100000</i>	<i>Greek Ministry of Economy/ INSTAT</i>	<i>Bi-annually</i>

<sup>22</sup> Target values may be qualitative or quantitative.



**2.1.2.6.2 Priority axis 2 output indicators**

**Table 9: Common and programme specific output indicators**

<b>ID</b>	<b>Indicator (<i>name of indicator</i>)</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
<b>CO11</b>	<i>Increase in expected number of visits to supported sites of cultural and natural heritage and attractions</i>	<i>visits</i>	<i>13500</i>	<i>Programme Management Information System (MIS)</i>	<i>Annually</i>
<b>CO04</b>	<i>Number of enterprises receiving non-financial support</i>	<i>Enterprises</i>	<i>160</i>	<i>Programme Management Information System (MIS)</i>	<i>Annually</i>

### 2.1.2.7 Categories of intervention

The categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support are described in the following tables.

**Tables 10-12: Categories of intervention**

<b>Table 10: Dimension 1 - Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
2	63	1.500.000,00
	66	1.500.000,00
	67	3.894.783
	94	7.491.306

<b>Table 11: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
2	01 Non-repayable grant	14.386.089

<b>Table 12: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
2	07 Not Applicable	14.386.089

**SECTION 2.2 DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE**

**2.2.1 Priority axis 3 “Technical assistance”**

<i>ID</i>	3
<i>Title</i>	<i>Technical assistance</i>

**2.2.2 The specific objectives of the priority axis and the expected results**

**Specific objective** (repeated for each specific objective)

<i>ID</i>	3.1
<i>Specific objective</i>	Effective overall management and monitoring of the Programme
<i>Results that the partner States seek to achieve with Union support</i> <sup>23</sup>	Not applicable

<i>ID</i>	3.2
<i>Specific objective</i>	Effective communication and publicity
<i>Results that the partner States seek to achieve with Union support</i> <sup>24</sup>	Not applicable

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<sup>23</sup> Required where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

<sup>24</sup> Required where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

**2.2.3 Actions to be supported and their expected contribution to the programme implementation**

<i>Priority axis</i>	Technical assistance
<p>The objective of priority axis technical assistance is to provide effective administration and programme management. The specific objectives are analyzed below:</p> <p><b>Specific Objective 3.1:</b> Effective overall management and monitoring of the Programme. The actions related to this objective are:</p> <ul style="list-style-type: none"> <li>• Support to managing authority and joint secretariat for the preparation of the relevant documents, selection of projects, monitoring and evaluation, control and audit activities;</li> <li>• Joint secretariat staff costs;</li> <li>• Support to the functioning of the antenna office (antenna staff costs);</li> <li>• Travel costs covering the expenses of both countries’ participants (representatives of managing authority, joint secretariat, Joint Monitoring Committee, antenna office, operating structure, etc.) in relevant meetings;</li> <li>• Administrative costs concerning the joint secretariat, antenna office (furniture and equipment, electricity, heating, consumables etc);</li> <li>• Support to the managing authority, joint secretariat, joint monitoring committee (ad-hoc, mid-term and ex-post evaluations);</li> <li>• External expertise for development of programme implementation and monitoring procedures, information system for programme administration, preparation of specific studies and surveys, etc;</li> <li>• Technical support to the eligible regions (if and as needed) for development of programme implementation and monitoring procedures, information system for programme administration, preparation of specific studies and surveys, organization of information and outreach events in order to mobilize the regional partners to network and submit applications, training on the implementation provisions, etc;</li> <li>• Training for managing authority, operating structure, joint secretariat and Antenna staff.</li> </ul> <p><b>Specific Objective 3.2:</b> Effective communication and publicity. The actions related to this objective are:</p> <ul style="list-style-type: none"> <li>• Organization of public events such as conferences, workshops, discussions, etc. including renting of equipment and rooms, catering, experts, interpreters etc.;</li> <li>• Preparation and dissemination of information and publicity materials including, procedure manuals, brochures, posters, etc. including expenses for consumables (paper, CD-ROMs, etc.);</li> <li>• Purchase of dissemination/promotion materials (CD-ROMs, USBs, folders, pens, etc) including expenses for publicity (mass media and press).</li> </ul>	

## 2.2.4 Programme specific indicators<sup>25</sup>

### 2.2.4.1 Programme specific output indicators expected to contribute to results

#### Table 13: Programme-specific output indicators

Not required

## 2.2.5 Categories of intervention

The categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support are described in the following tables.

#### Tables 14-16: Categories of intervention

<b>Table 14: Dimension 1 - Intervention field</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
3	121	2.377.217
	122	500.000
	123	719.305

<b>Table 15: Dimension 2 Form of finance</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
3	01 Non-repayable grant	3.596.522

<b>Table 16: Dimension 3 Territory type</b>		
<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
3	07 Not applicable	3.596.522

<sup>25</sup> Required where objectively justified by the given the content of the actions and where the Union support to technical assistance in the cooperation programme exceeds EUR 15 million.

SECTION 2.3 OVERVIEW TABLE OF INDICATORS PER PRIORITY AXIS AND THEMATIC PRIORITY

Table 17: Table of common and programme specific output and result indicators

Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
1	(c). Promoting sustainable transport, information and communications networks & services and investing in cross-border water, waste & energy systems and facilities	1.1: Increase the capacity of CB infrastructure in transport, water & waste management	Volume of urban effluents under secondary treatment	CO20 <sup>26</sup> Additional population served by improved water supply
			Percentage of solid waste managed sustainably	CO21 Additional population served by improved wastewater treatment
			% of cross-border vertical axes to Egnatia motorway either constructed or with sufficient maturity to be constructed.	Additional solid waste management capacity created
				Kilometers of CB road network studied
				Number of square meters of border crossing buildings studied or constructed.
	(b): Protecting the environment & promoting climate change adaptation & mitigation, risk prevention & management	1.2: Increase the effectiveness of environmental protection & sustainable use of natural resources	Level of preservation of the protected natural CB areas	CO25 Surface area of habitats supported in order to attain a better conservation status
			1.3: Increase energy efficiency and the use of RES	Energy efficiency awareness barometer

<sup>26</sup> all indicators with a number are Common Indicators (CO) listed in the Annex of ETC Regulation

Priority axis	Thematic priority	Specific objective(s)	Selected results indicators	Selected output indicators
				actions
		1.4: Improve the effectiveness of risk prevention and disaster management with a focus on forest fires	Area damaged by forest fires (5-yr rolling annual average in hectares)	CO23 Population benefiting from forest fire protection measures
2	(d). Encouraging tourism and cultural and natural heritage	2.1: Preserve cultural and natural resources as a prerequisite for tourism development of the cross border area	Annual overnight tourist stays of the cross border area	CO11 Increase in expected number of visits to supported sites of cultural and natural heritage and attractions
	(g). Enhancing competitiveness the business environment and the development of small and medium-sized enterprises (SMEs), trade and investment	2.2: Improve CB capacity to support entrepreneurship, business survival and competitiveness	Active CB enterprises	CO04 Number of enterprises receiving non-financial support

**SECTION 3 FINANCING PLAN**

**3.1 Financial appropriation from the IPA (in EUR)**

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

**Table 18**

<b>Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
<i>IPA</i>	0	2.604.740	3.719.732	8.542.634	6.893.908	7.031.786	7.172.422	35.965.222



### 3.1.1 Total financial appropriation from the IPA and national co-financing (in EUR)

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

**Table 19: Financing plan**

Priority axis	Basis for calculation of Union support	Union support (a) (EUR)	National counterpart (EUR)	Indicative breakdown of the national counterpart (EUR)		Total funding (EUR)	Co-financing rate (%)	For information	
					National Public funding (c)	National private funding (d)			Contributions from third countries
<i>PA1 Promotion of the environment &amp; sustainable infrastructure</i>		17.982.611	3.173.403	3.173.403	0	21.156.014	85		
<i>PA2 Boosting the local economy</i>		14.386.089	2.538.723	2.538.723	0	16.924.812	85		
<i>PA3 Technical assistance</i>		3.596.522	634.681	634.681	0	4.231.203	85		
Total	total eligible cost	35.965.222	6.346.807	6.346.807	0	42.312.029	85		

## 3.1.2 Breakdown by priority axis and thematic priority

Table 20

Priority axis	Thematic priority	Union support (EUR)	National counterpart (EUR)	Total funding (EUR)
PA1 Promotion of the environment & sustainable infrastructure	(c) Promoting sustainable transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities	14.386.089	2.538.722	16.924.811
	(b) Protecting the environment & promoting climate change adaptation & mitigation, risk prevention & management	3.596.522	634.681	4.231.203
PA2 Boosting the local economy	(d) Encouraging tourism and cultural and natural heritage	8.991.306	1.586.702	10.578.008
	(g) Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade & investment	5.394.783	952.021	6.346.804
PA3 Technical assistance	Technical assistance	3.596.522	634.681	4.231.203
<b>TOTAL</b>		<b>35.965.222</b>	<b>6.346.807</b>	<b>42.312.029</b>

## SECTION 4 INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

### 4.1 Community-led local development (CLLD)

The two countries do not intend to implement territorial strategies under the Community-led local development approach during the implementation of Interreg IPA II cross-border cooperation programme “Greece - Albania 2014-2020”. Therefore, Community-Led Local Development (CLLD) is not applicable for the present programme.

### 4.2 Integrated Territorial Investment (ITI)

The two countries will not combine investments from several priority axes of Interreg IPA II cross-border cooperation programme “Greece - Albania 2014-2020” or more operational programmes for the purposes of multi-dimensional and cross-sectoral intervention. Therefore integrated territorial investment (ITI) is not applicable for the present programme.

### 4.3 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant partner States and taking into account, strategically important projects identified in those strategies

The cross-border area participates in the Adriatic and Ionian Macro-regional Strategy (EUSAIR) which targets 4 thematic pillars:

1. driving innovative maritime and marine growth;
2. connecting the region;
3. preserving, protecting and improving the quality of the environment; and
4. increasing regional attractiveness;

and 2 cross-cutting themes:

1. research, innovation and small and medium-sized enterprise development; and
2. capacity Building.

The Interreg IPA II cross-border cooperation programme Greece-Albania 2014-2020 contributes to the above strategy as follows:

Priority axis 1 contributes directly to thematic pillars 2 and 3 by creating transport, water & waste management infrastructure and by supporting actions for the protection of the environment, and for risk prevention.

Priority axis 2 contributes directly to thematic pillar 4 by protecting and promoting cultural and natural assets and by promoting the tourist potential of the cross border area, while it also contributes indirectly to thematic pillar 1, by supporting entrepreneurship especially in the agro-food sector, and to the extent that projects concerning fishing/aquaculture and other marine productive activities are included during implementation. It also contributes to the first cross-cutting theme directly through the support of

small and medium-sized enterprises (SMEs) and the promotion of actions targeting the incorporation of research & development in the productive process.

More specifically, the cooperation programme contributes to EUSAIR as follows:

- To pillar 1 (Blue Growth), Topic 2 (fisheries and aquaculture) by promoting business support services and systems, training, introduction of new production processes (organizational innovation) and new production technologies (technological innovation, including the introduction of new species), by encouraging clusters and other “collaborative schemes” (e.g. contract farming) and through joint/horizontal export support services to all cross-border area businesses and especially to priority sectors such as the agro-food industry, part of which is the fisheries/aquaculture branch.
- To pillar 2 (Connecting the Region), Topic 1 (maritime transport) by planning/developing and/or modernizing port infrastructure/superstructure and through the development of smart transport systems (i.e. systems for better inter-port traffic planning, for increasing port management efficiency, and for improving links with mainland transport systems).
- To pillar 2 (Connecting the Region), Topic 2 (intermodal connections to the hinterland) by planning/developing multimodal facilities at cross-border area ports and through the planning/construction/rehabilitation of border crossings.
- To pillar 3 (Environmental Quality), Topic 1 (marine environment) by developing wastewater treatment facilities, through water quality management systems, through actions aimed at preserving biodiversity in protected areas (such as the marine Natura 2000 network), and through risk protection/management actions (to the extent they concern the coastal environment, such as erosion prevention) and joint initiatives for the prevention/clean-up of marine pollution.
- To pillar 3 (Environmental Quality), Topic 2 (transnational terrestrial habitats and biodiversity) through joint initiatives for environmental protection (including harmonization of legislation and management/monitoring systems), and actions for the protection of the terrestrial Natura 2000 network.
- To pillar 4 (Sustainable Tourism), Topic 1 (diversified tourism offer) through the development of integrated tourist destinations, and the support of alternative tourism (ecotourism/tourism-for-all/cultural tourism), through branding of local products, and by protecting/restoring/promoting cross-border area cultural heritage.
- To pillar 4 (Sustainable Tourism), Topic 2 (sustainable and responsible tourism management) by encouraging the creation of clusters and value-chains in tourism, and by developing business support systems (e.g. information and communications technology systems) which increase tour operator efficiency and better service delivery.

Both Priority Axes contribute to the second cross-cutting theme:

- the first one mainly through planning actions; and
- the second one mainly through the creation of business-hosting capacity in the cross border area.

## SECTION 5 IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

### 5.1 RELEVANT AUTHORITIES AND BODIES

Having regard:

- Commission Regulation (EU) No 447/2014, Articles 34, 36 and 37
- Regulation (EU) No 231/2014 and
- Regulation (EU) No 1299/2013, Article 8(4)

The following provisions should be applied:

**Table 21: Programme authorities**

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
<b>Managing authority</b>	<p><b>Managing authority of European Territorial Cooperation Programmes, Ministry of Economy, Infrastructure, Shipping and Tourism</b></p> <p>Address: 65 Georgikis Scholis Ave, 57001 Thessaloniki, Greece</p> <p>Tel: +30 2310 469600</p> <p>Fax: +30 2310 469602</p> <p>E-mail: <a href="mailto:interreg@mou.gr">interreg@mou.gr</a></p>	Head of the managing authority
<b>Certifying authority</b>	<p><b>Special Service «Certifying and Verifications Authority of Co-funded Programmes» - Units, A, B and C, Ministry of Economy, Infrastructure, Shipping and Tourism</b></p> <p>Address: Navarhou Nikodimou 11 &amp; Voullis 105 57, Athens, Greece</p> <p>Tel: +30 2131500471</p> <p>Fax: +30 2131500453</p>	Head of the Special Service «Certifying and Verifications Authority of Co-funded Programmes»
<b>Audit authority</b>	<p><b>Financial Control Committee (EDEL) Ministry of Finance – General Accounting Office of the State, Greece</b></p> <p>Address: Panepistimiou 57 10564, Athens, Greece</p> <p>Tel: +30 210 - 33 55 970</p>	Executive Director of EDEL

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
	Fax: +30 210 - 33 55 939	

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

<input checked="" type="checkbox"/> the certifying authority	
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**Table 22: Body or bodies carrying out control and audit tasks**

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Body or bodies designated to carry out control tasks	<p><b>For Greece</b></p> <p><b>Managing authority of European Territorial Cooperation Programmes,</b></p> <p><b>Ministry of Economy, Infrastructure, Shipping and Tourism</b></p> <p>Address: 65 Georgikis Scholis Ave, 57001 Thessaloniki, Greece Tel: +30 2310 469600 Fax: +30 2310 469602 E-mail: interreg@mou.gr</p> <p><b>For Albania</b></p> <p>First Level Control (FLC) office, Ministry of European Integration</p>	<p>Head of the Managing Authority of European Territorial Cooperation Programme</p> <p>Head of First Level Control office</p>
Body or bodies designated to be responsible for carrying out audit tasks	<p><b>Special Service «Certifying and Verifications Authority of Co-funded Programmes» - Units, A, B and C,</b></p> <p><b>Ministry of Economy, Infrastructure, Shipping and Tourism</b></p> <p>Address: Navarhou Ni-</p>	<p>Head of the Special Service «Certifying and Verifications Authority of Co-funded Programmes»</p>

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
	kodimou 11 & Voulis 105 57, Athens, Greece Tel: +30 2131500471 Fax: +30 2131500453 E-mail: <a href="mailto:spa@m nec.gr">spa@m nec.gr</a>	
Body or bodies designated to be responsible for carrying out audit tasks	<p><b>Financial Control Committee (EDEL)</b>  <b>Ministry of Finance – General Accounting Office of the State</b>                      Address: Panepistimiou 57                      10564, Athens, Greece                      Tel: +30 210 - 33 55 981,                      +30 210 - 33 55 904                      Fax: +30 210 - 33 38 939                      E-mail: <a href="mailto:gddde@mof-gl k.gr">gddde@mof-gl k.gr</a></p> <p><b>For Albania:</b>                      Agency for the Audit of European Union programmes Implementation System (AAPA)                      Rruga Elbasanit, Godina e ish-trikotazhit kati 4, Tirana, Albania                      E-mail: <a href="mailto:info@aapa.al">info@aapa.al</a>;  <a href="mailto:manol.simo@gmail.com">manol.simo@gmail.com</a></p>	<p>General Director of Management and Control of EU Co-financed programmes,                      Mr. Stelios Maravelakis</p> <p>Head of the Audit Agency                      Mr. Manol Simo</p>

## 5.2 Joint Monitoring Committee (JMC)

Having regard to the:

- Commission Delegated Regulation (EU) No 447/2014 of 21 March 2014, Article 38(1);
- Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II);
- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013, Articles 49 and 110;

the following provisions should be applied:

Both participating countries shall set up a joint monitoring committee, within **three months** of the date of notification to the Member State of the Commission decision adopting the cross-border cooperation programme.

The joint monitoring committee shall be **chaired by a representative** of one of the participating countries or of the managing authority and composed of representatives of the Commission, and other relevant national authorities and bodies of the IPA II beneficiary, the participating Member State(s) and, where relevant, international financial institutions and other stakeholders, including civil society and private organisations.

The joint monitoring committee shall **review the overall effectiveness, quality and coherence of the implementation of all actions** towards achieving its objectives, the financing agreements and the relevant strategy paper(s). It may make recommendations for corrective actions whenever needed. Articles 49 and 110 of Regulation (EU) No 1303/2013 concerning its functions shall also apply. The joint monitoring committee and the managing authority shall carry out monitoring by reference to indicators laid down in the relevant cross-border cooperation programme, in accordance with Article 16 of Regulation (EU) No 1299/2013.

The JMC shall adopt its rules of procedures on the first JMC meeting. The JMC will be headed by a Chair (Managing Authority) and a co-Chair (National Authority). The meetings shall be chaired by the representative of the hosting country or the Managing Authority.

The joint monitoring committee shall **meet at least once a year**. Additional meetings may also take place by the initiative of one of the participating countries or of the Commission, in particular on a thematic basis or of one of the participating countries.

**Table 23: Indicative list of Joint Monitoring Committee (JMC) members**

Name of authority/body and department or unit	Role in the programme	Contact details of the authority/body
EU Commission	Advisory	DG Regional Policy Competence Center Macro-regions and European territorial cooperation
Operating structure in Albania	Voting member	Ministry of European Integration
National Authority in Greece	Voting member	National Coordination Authority, Ministry of Economy, Infrastructure, Shipping and Tourism
Region of Ipeiros (Greece)	Voting member	Head of the Region of Ipeiros
Region of Dytiki Makedonia (Greece)	Voting member	Head of the Region of Dytiki Makedonia



Region of Ionia Nisia (Greece)	Voting member	Head of the Region of Ionia Nisia
Region of Vlore (Albania)	Voting member	Head of the Region of Vlore
Region of Gjirokaštër (Albania)	Voting member	Head of the Region of Gjirokaštër
Region of Korçë (Albania)	Voting member	Head of the Region of Korçë
Region of Berat (Albania)	Voting member	Head of the Region of Berat

**The JMC shall be responsible for reviewing and approving:**

- issues connected to the performance of the cross-border cooperation programme;
- the criteria used for the selection of operations;
- the programme’s implementation reports;
- the evaluation, communication strategy/plan of the cross-border cooperation programme and its amendments;
- proposals by the Managing Authority in case of an amendment to the cross-border cooperation programme.

**Joint Steering Committee**

For optimum effectiveness in the exercise of the operations selection role, a Joint Steering Committee shall be set up operating under the responsibility of the Joint Monitoring Committee for selecting the operations to be funded under the cooperation programme. According to Article 12(1) of Regulation (EU) No 1299/2013. The joint steering committee shall report to the joint monitoring committee.

The joint steering committee is co-chaired by designated representatives from the participating countries or their substitutes.

The joint steering committee shall consist of a few members, taking into account the principle of proportionality. Its composition shall be decided by the participating countries, taking into account that the two countries are equally represented.

A Commission’s representative may participate in the meetings in an advisory capacity.

The managing authority attends the joint steering committee’s meetings in an advisory capacity. Moreover, specialists or experts in economic, technical, social, scientific and other matters, depending on the agenda items, may be invited to attend the joint steering committee meetings in an advisory capacity.

The joint secretariat undertakes the task to provide secretarial support to the joint steering committee, mainly by organising the meetings, preparing the agenda and keeping the minutes.

At its first meeting, the joint steering committee shall adopt its rules of procedure in agreement with the managing authority.

### 5.3 Procedure for setting up the Joint Secretariat (JS)

Having regard:

- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 [point (a)(iv) of Article 8(4) and 23(2)]

The managing authority, after consultation with the two countries participating in the Programme, shall set up a joint secretariat to be located near its registered office.

A joint recruitment procedure will be agreed between the two participating countries.

The joint secretariat shall assist the managing authority, the joint monitoring committee and the joint steering committee in carrying out their respective duties and functions. Moreover, it may assist the Audit Authority in organising the meetings of the group of auditors.

In particular, the joint secretariat shall have the following responsibilities:

1. Assist the managing authority in organising the meetings of the joint monitoring committee and the joint steering committee and provide all necessary documents to ensure the quality of the implementation of the cooperation programme in the context of its specific goals by:
  - organising the meetings of the joint monitoring committee and the joint steering committee;
  - preparing all necessary documents and the minutes of the meetings;
  - forwarding to the beneficiaries the decisions made by the joint monitoring committee and the joint steering committee;
  - making arrangements for various tasks and services such as interpreting and translation services;
2. Draw up the criteria for selecting the operations and submit them to the managing authority. The managing authority examines the criteria and when accepted – after consultation with the operating structure – submits them to the joint monitoring committee for approval;
3. Prepare the material concerning the call for proposals and submit it to the managing authority. The managing authority examines the material and when accepted– after consultation with the operating structure- submits it to the joint monitoring committee for approval;
4. Provide information to potential beneficiaries about funding opportunities under cooperation programmes and shall assist beneficiaries in the implementation of operations.
5. Provide support to potential beneficiaries during the preparation of proposals. The joint secretariat shall organise information seminars, promote the cooperation and the partnership of bodies from both sides of the border etc. Furthermore, it may cooperate with the Antenna office in Saranda for the organisation of seminars and promotion activities in Albania;
6. Assist the managing authority and the joint steering committee in order to ensure that operations are selected for funding in accordance with the approved criteria applicable to the cooperation programme and that they comply with applicable Community and national rules governing the implementation of the cooperation programme;
7. Provide technical support to beneficiaries throughout the implementation period of the operations;

8. Assist the managing authority in collecting and recording in computerised form accounting records for all operations. Moreover, assist the managing authority in collecting implementation data required for financial management, monitoring, verification, audit and evaluation;
9. Assist the managing authority in collecting and keeping all documents relating to expenditure and audits, in order to ensure an effective audit trail in accordance with the requirements of Article 125(2d) of Regulation (EU) No 1303/2013 by:
  - collecting progress reports from beneficiaries;
  - assessing the implementation of operations and submitting the respecting progress reports to the managing authority;
  - drafting progress reports concerning the implementation of the operational programme;
10. Prepare annual reports, as well as the final report on the cooperation programme, and submit them to the managing authority for comments/corrections. The managing authority examines the reports and, when accepted, submits them to the joint monitoring committee for approval. After approval by the joint monitoring committee, the managing authority submits the reports to the Commission;
11. Support the managing authority to ensure that information and publicity requirements referred to in Articles 115 and 116 of the Regulation (EU) No 1303/2013 are complied with, by:
  - preparing a Communication Plan and supporting its implementation;
  - creating and regularly updating the programme’s website;
  - organising seminars to promote the cooperation programme;
  - creating a partner search webpage for the benefit of potential beneficiaries;
12. Prepare the technical assistance annual plan and forward it to the managing authority. The managing authority examines it and, when accepted, submits it to the joint monitoring committee for approval;

The detailed functions and the role of the joint secretariat shall be determined, in agreement with the managing authority and the participating countries in the Programme, in its rules of procedure. The joint secretariat shall be composed of a balanced number of staff members from the participating countries.

The joint secretariat will have an antenna office in Saranda, in Albania.

#### **5.4 Summary description of the management and control arrangements**

##### **Managing authority**

The managing authority shall be responsible for managing and implementing the cross-border cooperation programme in accordance with the principle of sound financial management and carry out the functions set out in Article 37 of the Commission Implementing Regulation (EU) No 447/2014, Articles 72 and 125 of Regulation (EU) No 1303/2014 and Article 23 of Regulation (EU) No 1299/2014.

The managing authority of the IPA II cross border cooperation programme shall be responsible for:

- (a) support the work of the joint monitoring committee and provide it with the information it requires to carry out its tasks, in particular data relating to the progress of the IPA II cross-border cooperation programme in achieving its objectives, financial data and data relating to indicators and milestones;

- (b) draw up and, after approval by the joint monitoring committee, submit to the Commission annual and final implementation reports;
- (c) make available to intermediate bodies and beneficiaries information that is relevant to the execution of their tasks and the implementation of operations respectively;
- (d) establish a system to record and store in computerised form data on each operation under the IPA II cross-border cooperation programme necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations, where applicable;
- (e) ensure that the data referred to in point (d) is collected, entered and stored in the system referred to in point (d), and that data on indicators is broken down by gender.
- (f) ensure that the implementation reports of the IPA II cross-border cooperation programme referred to in Article 14 of Regulation (EU) No 1299/2014 are carried out in accordance with Article 51(1) and (2) of Regulation (EU) No 1303/2014;
- (g) supervise the work of the joint secretariat;
- (h) prepare and submit for approval by the joint monitoring committee a communication strategy (Articles 115 and 116 of Regulation (EU) No 1303/2014) of the IPA II cross-border cooperation programme and designate contact persons to be responsible for information and publicity informing the Commission accordingly.
- (i) ensure the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in the participating countries, including information about the timing of implementation of programming and any related public consultation processes;
- (j) inform potential beneficiaries about funding opportunities under the IPA II cross-border cooperation programme;
- (k) Publicise to Union citizens the role and achievements of cohesion policy and of the IPA II cross-border cooperation through information and communication actions on the results of the Programme and operations.
- (l) Maintain a list of operations of the IPA II cross-border cooperation programme in a spreadsheet data format, which allows data to be sorted, searched, extracted, compared and easily published on the internet.

***Regarding the selection of operations***, the managing authority shall:

- (a) draw up and, once approved by the joint monitoring committee, apply appropriate selection procedures and criteria in accordance with the Union and national rules that:
  - (i) ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority;
  - (ii) are non-discriminatory and transparent;
  - (iii) take into account the general principles of promotion of equality between men and women and non-discrimination and sustainable development
- (b) ensure that a selected operation falls within the scope of the IPA II and can be attributed to a category of intervention of the IPA II cross-border cooperation programme;
- (c) ensure that beneficiaries are informed of the specific conditions concerning the products or services to be delivered under the operation, the financing plan, the time limit for execution and the financial and other information to be kept and communicated;

(d) satisfy itself that the beneficiary has the capacity to fulfil these conditions before the approval decision is taken; ensure that the procedure for evaluating proposals was carried out under the terms of the call for proposals, including the operations selection criteria approved by the Monitoring Committee;

(e) ensure that the lead beneficiary of an operation is provided with a document setting out the conditions for support of the operation, including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution

(f) satisfy itself that the lead beneficiary has the administrative, financial and operational capacity to fulfil the conditions referred to in point (c) before approval of the operation;

(g) satisfy itself that, where the operation has started before the submission of an application for funding to the managing authority, applicable law relevant for the operation has been complied with;

(h) ensure that operations selected for support from the IPA II do not include activities which were part of an operation which has been or should have been subject to a procedure of recovery in accordance with Article 71 of Regulation (EU) No 1303/2014 following the relocation of a productive activity outside the programme area;

(i) determine the categories of intervention to which the expenditure of an operation shall be attributed.

Regarding the *financial management and control* of the IPA II cross-border cooperation programme, the managing authority:

(a) Identifies that each participating country designates the body or person responsible for carrying out such verifications in relation to beneficiaries on its territory (the 'controller(s)'). The managing authority shall satisfy itself that the expenditure of each beneficiary participating in an operation has been verified by a designated controller referred to in Article 23(4) of Regulation (EU) No 1299/2013 and Article 125 of Regulation (EU) No 1303/2013.

(b) ensures that lead beneficiaries involved in the implementation of operations are reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;

(c) puts in place effective and proportionate anti-fraud measures taking into account the risks identified;

(d) sets up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of point (g) of Article 72 of Regulation (EU) No 1303/2014;

(e) draws up the management declaration and annual summary referred to in points (a) and (b) of Article 59(5) of the Financial Regulation.

In order to verify the expenditure declared by the beneficiaries, each country participating in the Programme will set up a first level control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations or parts of those operations with Community rules and its national rules.

For this purpose and according to Article 23(4) of Regulation (EU) No 1299/2013, each country shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation.

The verifications referred to above shall include the following procedures:

- (a) administrative verifications in respect of each application for reimbursement by beneficiaries;
- (b) on-the-spot verifications of operations.

The frequency and coverage of the on-the-spot verifications shall be proportionate to the amount of public support to an operation and to the level of risk identified by such verifications and audits by the audit authority for the management and control system as a whole.

On-the-spot verifications of individual operations may be carried out on a sample basis.

Where the managing authority is also a beneficiary under the IPA II cross-border cooperation programme, arrangements for the verifications referred to in point (a) of the first subparagraph of paragraph 4 adequate separation of functions is ensured by a clear division of duties between the different units of the managing authority.

As regards the flow of certified expenditure, the lead beneficiary shall forward all certified expenditure for an operation to the joint secretariat which, after conducting a preliminary check (completeness of data and eligibility of declared expenditure) transmits them, together with comments, to the managing authority. The managing authority shall ensure that all the necessary information is available on the procedures and verifications carried out in relation to expenditure for the purpose of certification. It then transmits them to the Certifying Authority, in order to prepare and submit to the Commission certified statements of expenditure and applications for payment.

**Regarding the verification of expenditure Albania shall establish a centralised system.** First level control office at the Ministry of European Integration. The office will be staffed originally by the head of the office and two first level controllers. Their main tasks will include:

Activities for verifying the legitimacy and regularity of the expenditure declared by each of the final beneficiaries implementing the operations carried out on the Albanian territory as well as their compliance with the Union and national rules.

- Activities for verifying the documents of all the operations (100%) for which the beneficiaries have prepared their expenditure declaration, in order to verify the expenditure admissibility according to the following principles:
  1. principle of effectiveness according to which it is necessary to verify that the expenditure is actually incurred and is linked to the operation co-financed;
  2. principle of legitimacy, according to which it is necessary to verify that the expenditure complies with the community and national rules;
  3. principle of localization of the operation co-financed, according to which it is necessary to verify that the expenditure incurred is related to the operation made in the eligibility area of the Programme;
  4. Principle of documentary evidence: requires that expenditure has been documented with receipted invoices or accounting records of equivalent legal validity.

- they will carry out of the verifications in situ of stratified sampling of the activities by type of operation and by beneficiary.
- implementation of the guidelines for the checks included the related templates for the submission of the accounting and for their verification;
- drawing up of suggestions and advice of their competence;
- keeping the carrying out of the implementing plans, programmes, projects and management of competence;
- definition of the objectives, organization, direction, coordination and control of the activity of the Albanian first level control office;
- organization and management of the staff assigned to the Albanian first level control office;

The head of the first level control office will be responsible for the relations with the office of the EU and of the International bodies in their relevant subjects.

The first level control office of Albania shall ensure that the expenditure, declared by the beneficiaries located in Albanian eligible area, can be validated within a period of three months from the date of its submission by final beneficiary”.

Following the administrative control of expenditure declarations, that is carried out on the whole expenditure, Albanian first level control office is responsible for the spot-check on operations.

The Albanian first level control office should carry out the administrative control of expenditure declarations before submitting the first level expenditure certified declaration to managing authority.

**The verification of expenditure for the Greek partners** will be conducted under the responsibility of the Managing Authority of European Territorial Cooperation Programmes of the **Ministry of Economy, Infrastructure, Shipping and Tourism where a separate Unit is formed.**

### **National IPA Coordinator (NIPAC)**

The Ministry of European Integration in Albania cooperates in joint programming, management and implementation of the programme.

In particular the National IPA Coordinator will be responsible for the following tasks:

- participating in joint programming and generation of operations in accordance with the programme objectives and Programme modification;
- ensuring the national co-financing in a timely and proper manner;
- nominating representatives of Albania in the joint monitoring committee;
- organizing a selection procedure for financial controllers and assessors in Albania.
- signing Framework Agreement and Financing Agreement
- sign contracts with the assessors, controllers and first level control office from Albania;
- nominating representative(s) in the group of auditors;
- signing on behalf of Albania the bilateral Memorandum of Understanding;
- ensuring access to information of managing authority, certifying authority and audit authority in order to fulfil their respective tasks;

- ensuring the funds for national co-financing.

### **Certifying authority**

Having regard,

- Commission Delegated Regulation (EU) No 447/2012 of 21 March 2012;
- Regulation (EU) No 231/2014 of 11 March 2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession Assistance (IPA II);
- Regulation (EU) No 1303/2013 (Article 126, 132) and
- Regulation (EU) No 1299/2013 (Article 24)

The certifying authority shall be responsible for:

1. Drawing up and submitting payment applications to the Commission, and certifying that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the managing authority;
2. Drawing up the accounts referred to in point (a) of Article 59(5) of the Financial Regulation;
3. Certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the IPA II cross-border cooperation programme and complying with applicable law;
4. Ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or cooperation programme;
5. Ensuring, for the purposes of drawing up and submitting payment applications, that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure;
6. Taking into account when drawing up and submitting payment applications of the results of all audits carried out by, or under the responsibility of, the audit authority;
7. Maintaining, in a computerised form, accounting records of expenditure declared to the Commission and of the corresponding public contribution paid to beneficiaries;
8. Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the budget of the Union prior to the closure of the IPA II cross-border cooperation programme by deducting them from the subsequent statement of expenditure.

The Certifying Authority will be the body responsible for making payments to beneficiaries for the IPA II cross-border cooperation programme according to the provisions of Article 21(2) of Regulation (EU) No 1299/2013 and Article 132 of Regulation (EU) No 1303/2013. The certifying authority shall receive the payments made by the Commission and shall, as a general rule, make payments to the lead beneficiary. No amount shall be



deducted or withheld from payments made to beneficiaries and no subsequent charges shall be levied that would reduce these amounts.

The Certifying Authority transfers the total amount of the contribution from IPA II to the lead beneficiaries of selected operations. The lead beneficiaries shall ensure that the other beneficiaries receive the total amount of the contribution from IPA II as quickly as possible and in full. No amount shall be deducted or withheld and specific charge or other charge with equivalent effect shall be levied that would reduce those amounts for the other beneficiaries.

### **Audit authority**

The Audit Authority shall be responsible for verifying the effective functioning of the management and control system of the IPA II cross-border cooperation programme. In this context, the Audit Authority shall be responsible for carrying out the functions envisaged in Article 37 of the Commission Implementing Regulation (EU) No 447/2014 and Articles 25 of Regulation (EU) No 1299/2014 and 127 of Regulation (EU) No 1303/2014, and in particular:

1. Ensuring that audits are carried out to verify the effective functioning of the management and control system of the IPA II cross-border cooperation programme,
2. Ensuring that audits are carried out on operations, on the basis of an appropriate sample, to verify expenditure declared to the Commission and in that respect determine the appropriate sampling method to be used on the basis of the declared expenditure in accordance with the requirements of Article 59(5) of the Financial Regulation. The declared expenditure shall be audited based on a representative sample and, as a general rule on statistical sampling methods. A non- statistical sampling method may be used on the professional judgment of the audit authority, in duly justified cases, in accordance with internationally accepted audit standards and in any case where the number of operations for an accounting year is insufficient to allow the use of a statistical method. In such cases, the size of the sample shall be sufficient to enable the audit authority to draw up a valid audit opinion in accordance with the second subparagraph of Article 59(5) of the Financial Regulation. The non-statistical sample method shall cover a minimum of 5 % of operations for which expenditure has been declared to the Commission during an accounting year and 10 % of the expenditure which has been declared to the Commission during an accounting year.
3. Preparing, in accordance with Article 127(4) of Regulation (EU) No 1303/2014, within eight months of the adoption of the IPA II cross-border cooperation programme, an audit strategy for performance of audits, setting out the audit methodology, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period; The Audit Authority shall submit the audit strategy to the Commission upon their request,
4. The Audit Authority shall draw up:
  - control report setting out the main findings of the audits (systems and operations) carried out in accordance with the audit strategy including findings with regard to deficiencies found in the management and control systems, and the proposed and implemented corrective actions.

- an audit opinion, in accordance with the second subparagraph of Article 59(5) of the Financial Regulation.

The Audit Authority shall ensure that the audit work takes account of internationally accepted audit standards.

In the course of carrying out its functions, the Audit Authority shall ensure that personal data and confidential information, received by it and/or audit bodies operating under its control, are protected.

The Financial Audit Committee consists of seven members and is independent of the Managing and Certifying Authorities.

### **Group of Auditors**

The Audit Authority of the IPA II cross-border cooperation programme shall be assisted by a group of auditors comprising a representative from each participating country in the IPA II cross-border cooperation programme, carrying out the duties provided for in Article 127 of Regulation (EU) No 1303/2014. The group of auditors shall be set up within three months of the decision approving the IPA II cross-border cooperation programme. The group shall draw up its own rules of procedure. The group of auditors shall be chaired by the Audit Authority of the IPA II cross-border cooperation programme (25(2) of Regulation (EU) No 1299/2014). Each participating country shall be responsible for audits carried out on its territory.

Each representative from each participating country in the IPA II cross-border cooperation programme shall be responsible for providing the factual elements relating to expenditure on its territory that are required by the audit authority in order to perform its assessment.

### **Audits carried out by the Audit Authority**

In carrying out its functions, the audit authority shall ensure that audits on systems, authorities and intermediate bodies are carried out and assess their reliability.

Audits on operations shall be carried out on-the-spot, on the basis of documentation and records held by the beneficiary. Audits shall verify that the following conditions are fulfilled:

- a. the operation meets the selection criteria for the IPA II cross-border cooperation programme, has been implemented in accordance with the approval decision and fulfils any applicable conditions concerning its functionality and use or the objectives to be attained;
- b. the expenditure declared corresponds to the accounting records and supporting documents held by the beneficiary;
- c. the expenditure declared by the beneficiary is in compliance with Community and national rules;
- d. the total EU/national (public or private) contribution has been paid to the beneficiary in accordance with Article 127 of the Regulation (EU) No 1303/2013 (as applicable)

In the framework of an audit strategy, audits shall be carried out on the basis of an annual plan approved by the audit authority. Additional audits, not included in the plan, shall also be carried out, whenever required.

When problems detected appear to be systemic in nature and therefore entail a risk for other operations under the IPA II cross-border cooperation programme, the Financial Control Committee shall ensure that further examination is carried out, including additional audits where necessary, to establish the scale of such problems.

**Report and Opinion of the Independent Audit Body on the designation of the management structures of the Programme, referred to in Article 124(2) of Regulation (EU) No 1303/2013.**

According to Article 47 of the Commission Regulation (EU) No 447/2014, Articles 72, 73, 74 and 124(2) of Regulation (EU) No 1303/2013 apply. As stipulated in those articles participating countries should adopt adequate measures to guarantee the proper set up and functioning of their management and control systems to give assurance on the legal and regular use of the IPA II funds allocation to the programme.

Participating countries shall also fulfil the management, control and audit obligations, and assume the resulting responsibilities, which are laid down in the rules on shared management set out in the Financial Regulation and the IPA II rules and assume responsibility that the Management and Control System for the programme functions effectively.

The obligations of the participating countries as regards the management and control systems of programmes, and in relation to the prevention, detection and correction of irregularities and infringements of Union law should therefore be specified.

The designation of the managing authority and certifying authority of the programme shall be based on a report and an opinion of an independent audit body that assesses the fulfilment by the authorities of the criteria relating to the internal control environment, risk management, management and control activities, and monitoring set out in Annex XIII of Regulation (EU) No 1303/2013. The independent audit body shall be the audit authority of the Programme.

Where the independent audit body concludes that the part of the management and control system, concerning the managing authority or the certifying authority, is essentially the same as for the previous programming period, and that there is evidence, on the basis of audit work done in accordance with the relevant provisions of Regulation (EC) No 1083/2006 and Council Regulation (EC) No 1198/2006, of their effective functioning during that period, it may conclude that the relevant criteria are fulfilled without carrying out additional audit work.

## **Generation and Selection of Operations**

### **A. Preparation and Publication of Call for Proposals**

The joint secretariat shall prepare the material concerning the call for proposals and submit it to the managing authority. The managing authority examines the material and when accepted submits it to the joint monitoring committee for approval.

Then, the managing authority shall launch the call for proposals, informing potential beneficiaries about financing, the particular conditions and requirements applicable to their eligibility under the call, the selection procedures and criteria, the main obligations to be undertaken by beneficiaries in case an operation is selected for funding under the cooperation programme etc.

## **B. Submission of Proposals and Selection of Operations**

Potential beneficiaries prepare a proposal in cooperation with the lead beneficiary, who submits it to the joint secretariat.

With respect to the launching of the call for proposals, the joint secretariat shall check the proposals and make certain that:

1. proposals are submitted within the deadline;
2. all standard documents required are completed;
3. beneficiaries are eligible.

It shall then carry out an evaluation of proposals based on the operations selection criteria, approved by the joint monitoring committee and submit all the material to the managing authority. After the managing authority makes sure that the procedure for evaluating proposals was carried out in accordance with the terms of the call for proposals and the approved operations selection criteria, it submits to the joint steering committee:

- ✓ the project fiches of the submitted project proposals;
- ✓ a ranking list of the evaluated project proposals;
- ✓ all evaluation forms.

In evaluating proposals, the joint secretariat may be assisted by external experts, selected in agreement with the participating countries.

**The joint steering committee conduct the procedure for the selection of the operations to be funded**, and report to the Joint Monitoring Committee that has the ultimate responsibility for the selection of operations.

On the basis of the decision of the Joint Monitoring Committee (selected operations), the managing authority shall contract the lead beneficiaries of the selected operations.

With respect to the contracting procedure, the joint secretariat shall:

- ✓ Participate in the negotiation procedure of the selected projects
- ✓ Receive data from the final beneficiaries and participate in the preparation of the approved projects subsidy contracts;
- ✓ Submit the subsidy contracts to the Managing Authority for signing;
- ✓ Provide clarifications to the beneficiaries on their obligations stipulated in the subsidy contracts.

With respect to the financial management and audit procedure, the joint secretariat shall:

- ✓ Receive the documents from the beneficiaries for the implementation of the projects operations;
- ✓ Notify the MA of any irregularities addressed, within the respective deadlines;
- ✓ Undertake prevention and monitoring measures;
- ✓ Provide all available financial information to the MA for the approved projects;
- ✓ Contribute to the facilitation of audit and control activities;
- ✓ Assist the MA in the implementation of all recommendations/remarks received by the EC audit and the Audit Authority, according to the deadlines established.

With respect to the monitoring of the programme and the approved projects the joint secretariat shall:

- ✓ Monitor the implementation of the operations, the progress reports and the on-the-spot visits results, etc.;
- ✓ Draft and submit any documents requested by the MA;
- ✓ Collect and update the technical, financial, and statistics data at project level, ensuring the incorporation of these data into the electronic system.

Finally, with respect to the information and publicity procedures, the joint secretariat shall:

- ✓ Implement the relevant activities for the Communication Plan;
- ✓ Preparing and deliver the informational materials to the beneficiaries supporting the MA;

Update the programmes’s official website.

### **Arrangements for the examination of complaints beneficiaries not selected for funding.**

The two participating countries in the Programme shall set up a joint, separate an independent from the JMC, committee for the review of any complaint addressed to the Managing Authority regarding the selection of operations made by the Joint Monitoring Committee under a given call for proposals.

This Joint Complaint Committee will be formed by two participants of the Managing Authority and a representative of the NIPAC of Albania. It will evaluate the relevant complaints and give an opinion to the Joint Monitoring Committee that will take the final decision.

The Managing Authority will send this decision to the interested parties and inform the applicants about their judicial rights under Greek law.

All relevant procedure will be covered by Greek law since Greece hosts the Managing Authority of the Programme and any case will fall under the jurisdiction of the Greek Courts.

Greece as the country hosting the Managing Authority of the Programme shall, upon request by the Commission, examine any complaints submitted to the Commission falling within the scope of its arrangements. The Managing Authority shall inform the Commission, upon request, of the results of those examinations.

### **Responsibilities of the Lead Beneficiary and of Other Beneficiaries**

For each operation, a lead beneficiary shall be appointed by the beneficiaries among themselves (Article 40(1) of the Commission Regulation No 447/2014, Article 13(1) of Regulation (EU) No 1299/2013). The lead beneficiary shall:

- (i) shall lay down the arrangements with the other beneficiaries participating in the operation in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid according to Article 27(2) of Regulation (EU) No 1299/2013.
  - a. If the lead beneficiary does not succeed in securing repayment from other beneficiaries, the participating country, on whose territory the beneficiary concerned is located, shall reimburse the managing authority any amounts that were unduly paid to that beneficiary;

- b. The arrangements co-singed with the other beneficiaries will include and describe the procedures relating to the receipt of the public support by all beneficiaries. The public support from IPA II should be received as quickly as possible and in full.
- (ii) shall assume responsibility for ensuring the implementation of the entire operation;
- (iii) shall ensure that the expenditure presented by all beneficiaries participating in the operation has been incurred for the purpose of implementing the operation and corresponds to the activities agreed between those beneficiaries and is in accordance with the document provided by the managing authority pursuant to Article 40(6) of the Commission Regulation No 447/2014;
- (iv) it shall verify that the expenditure presented by other beneficiaries participating in the operation has been verified by a controller;

Each beneficiary participating in the operation shall assume responsibility in the event of any irregularity in the expenditure which it has declared.

### **Communication Strategy**

As stipulated in Article 42(4), Article 21(1) and (3) of the Commission Regulation No 447/2014 and Article 116 of Regulation (EU) No 1303/2013, the participating countries and the managing authority for the IPA II cross-border cooperation programme shall draw up a communication strategy for the Programme so as to ensure the required publicity thereof. The information shall be addressed to the European Union citizens and beneficiaries at the aim of highlighting the role of the Community and ensure that assistance from the IPA II is transparent. Implementation of the communication strategy and the information and publicity requirements is described in Annex XII of Regulation (EU) No 1303/2013.

### **Electronic Exchange of Data**

For the purposes of Article 74 of Regulation (EU) No 1303/2013, all official exchanges of information between the managing authority, the participating countries and the Commission shall be carried out using an electronic data exchange system.

According to the provisions of Article 122(3) of Regulation (EU) No 1303/2013 the managing authority shall ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and itself, the certifying authority, the audit authority and intermediate bodies can be carried out by means of electronic data exchange systems. The systems referred to above shall facilitate interoperability with national and Union frameworks and allow for the beneficiaries to submit all information referred to in the first subparagraph only once.

### **Programme Monitoring**

The MA and the JMC shall ensure the quality of the implementation of the programme in accordance with the principle of sound financial management. The JMC will supervise the Programme implementation and ensure the achievement of its objectives through a rational use of the allocated resources.

The tools used for the monitoring of the programme are the annual reports (and final report) on implementation, as set up in Article 14 of Regulation (EU) No 1299/2013. The annual (final) report(s) will be drafted by the JS, verified by the MA and approved by the JMC prior to their submission to the Commission. The reporting, information and com-

munication tasks will be carried out in accordance with Article 42 of Regulation (EC) No 447/2014.

The monitoring of the Programme shall be implemented through the management information system, providing relevant technical and financial information. The reporting shall be provided by the lead beneficiary through periodical and final reporting to the JS. The JS will check the compliance of the reports with the project approved application. The data of the reports will be uploaded in the management information system and relevant data shall be generated, included in the annual implementation reports and submitted to the European Commission.

### **Programme Evaluation**

The Managing Authority implemented an ex-ante evaluation (by evaluators that are independent of the authorities responsible for preparation of the Programme). The recommendations of the ex-ante evaluators are taken into account during the preparation of the Programme.

In order to improve the Programme’s quality and to optimise the allocation of its financial resources an interim and ex-post evaluation of independent evaluators shall be implemented, following strictly the provisions of Article 41 of Regulation (EC) No 447/2014.

During the programming period, the MA shall ensure evaluation for assessment of the effectiveness, efficiency and impact of the programme implementation on the basis of the evaluation plan and consequently the follow-up actions. All evaluations shall be examined by the JMC and sent to the Commission.

**More information concerning the management and control procedures will be provided in the Management and Control System of the Programme and in particular in the Programme manual. This manual will form part of the description of the Management and Control System of the Programme and will serve as a reference document for all bodies interested and in particular the obligations that arise for the beneficiaries of the Programme taking into account the given legal framework.**

### **5.5 Apportionment of liabilities among partner States in case of financial corrections imposed by the managing authority or the Commission**

According to Article 46(6), Financial management, decommitment, examination and acceptance of accounts, closure and financial corrections, of Commission Implementing regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231 of the European Parliament and of the Council establishing an Instrument for Pre-accession Assistance (IPA II) the following European Structural & Investment Funds (ESIF) rules should be applied:

- Articles 85, 122(2) and 143 to 147 of Regulation (EU) No 1303/2013 concerning financial corrections and recoveries
- Article 27(2) and (3) of Regulation (EU) No 1299/2013.

In particular, the managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole beneficiary. Beneficiaries shall repay to the lead beneficiary any amounts unduly paid.

If the lead beneficiary does not succeed in securing repayment from other beneficiaries or if the managing authority does not succeed in securing repayment from the lead benefi-

ciary, the Member State or third country on whose territory the beneficiary concerned is located shall reimburse the managing authority any amounts unduly paid to that beneficiary. The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating countries as laid down in the IPA II cross-border cooperation programme.

Each participating country shall establish its own national rules regarding the procedure for the recovery of unduly paid funds to beneficiaries directly linked to financial corrections detected by the appropriate authorities within the operations funded under the IPA II cross-border cooperation programme.

The participating countries shall in the first instance be responsible for investigating irregularities and for making the financial corrections required and pursuing recoveries. In the case of a systemic irregularity, the participating country concerned shall extend its investigation to cover all operations potentially affected.

Participating countries shall make the financial corrections required in connection with individual or systemic irregularities detected in operations or the IPA II cross-border cooperation programme.

In the event of financial corrections imposed by the managing authority or the Commission the apportionment of liabilities among the participating countries and in case liabilities cannot be assigned to a specific partner country, apportionment of liabilities will be made based on the projection of the specific error rate to the population of project beneficiaries per partner country potentially affected.

Financial corrections shall consist of cancelling all or part of the public contribution to an operation or to the IPA II cross-border cooperation programme. Participating countries shall take into account the nature and gravity of the irregularities and the financial loss to the IPA and shall apply a proportionate correction. Financial corrections shall be recorded in the accounts by the managing authority for the accounting year in which the cancellation is decided.

The contribution from the IPA cancelled in accordance with the above-mentioned provisions may be reused by the Participating countries within the IPA II cross-border cooperation programme concerned, subject to the condition that the contribution cancelled may not be reused for any operation that was the subject of the correction or, where a financial correction is made for a systemic irregularity, for any operation affected by the systemic irregularity.

In any case a financial correction by the Commission shall not prejudice the Member State's obligation to pursue recoveries under Article 143(2) of Regulation (EU) No 1303/2013 and to recover State aid within the meaning of Article 107(1) Treaty on the Functioning of the European Union (TFEU) and under Article 14 of Council Regulation (EC) No 659/1999.

## **5.6 Use of the Euro**

Having regard:

- Regulation (EU) No 1299/2013, Article 28;
- Regulation (EU) No 1303/2013, Article 133



any expenditure incurred in a currency other than euro, shall be converted into euro, using the monthly accounting exchange rate of the Commission in the month during which that expenditure was incurred;

The monthly exchange rates of the Commission are published on:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

The method chosen shall be applicable to all beneficiaries. The conversion shall be verified by the controller in Albania where the beneficiary is located.

## **5.7 Involvement of partners**

### Involvement of partners during programme preparation

The drafting of the Greece-Albania 2014-2020 IPA II cross-border cooperation programme was organized in compliance with the partnership approach as referred to in Article 5 of Regulation (EU) No 1303/2013. The European Territorial Cooperation managing authority and joint secretariat of the Programme coordinated the process. A joint programming committee - as the main decision making body - and a Programming Task Force (PTF) - for discussing particular topics and draft proposals - were established in 2013.

In addition three different stakeholder consultation phases were implemented during February – August 2014:

#### Phase A: Investigation of needs & priorities within a wide target-set of partners.

In early 2014 a survey was conducted using a structured questionnaire. The main aim was to gather as much knowledge about developmental challenges / needs of the cross-border area which have cross-border importance/impact or can be of great value to cross-border cooperation, and gain insight on aspects regarding the implementation of the current programme (good practices to be continued; problems to be corrected/ avoided).

Inputs from this consultation were analyzed and systematized by the Technical Consultant supporting the drafting of the IPA II cross-border cooperation programme and were presented to the Task Force as the basis for elaborating the next phase of consultation.

#### Phase B: Workshops with selected Stakeholders for the formulation of strategy and priorities:

This phase started immediately after the finalization of the strengths, weaknesses, opportunities, threats (SWOT) analysis and the consultant’s diagnostic report on the cross-border area.

The main aim was to incorporate proposals by the stakeholders regarding the selection of thematic objectives and investment priorities. Four (4) workshops were organized in total: 1 in Greece (Kerkyra) and 3 in Albania (Korce, Gjirokastër and Vlora).

The workshops were structured around specific issues to be analyzed by the participants:

- commenting on the diagnostic report;
- evaluation of thematic priorities using a multi-criteria approach; and
- proposals of intervention types to address identified cross-border area needs/challenges.

Workshop participants were also offered the opportunity to submit their comments in writing.

Phase C: Wide public consultation through internet.

An earmarked web page was created in order to boost stakeholders' involvement and to collect their perspectives on the first IPA II cross-border cooperation programme draft. This web page contained the 1st draft of the IPA II cross-border cooperation programme. It also contained a link to a questionnaire (using google forms), calling stakeholders to express their opinions on the appropriateness of strategy, on the specific objectives and the types of interventions selected, and the appropriateness of the financial allocation. They were also asked to contribute with proposals on appropriate types of interventions to be included in the IPA II cross-border cooperation programme by investment priority. This phase ended on 31 July 2014, lasting 13 days (from 18 July 2014 till 31 July 2014). (See: <http://greece-albania.eu/index.php/news/87-3rd-phase-of-the-public-consultation-for-the-preparation-of-the-etc-programme-greece-albania-2014-2020.html>).

How the relevant partners will be involved in the implementation of the IPA II cross-border cooperation programme

The programme aims to take on board the partners' opinions during the implementation and evaluation of the Interreg IPA II cross-border cooperation Greece-Albania 2014-2020 programme.

As for the involvement in the joint monitoring committee and in view of the proportionality principle, the programme partners will receive both the draft agendas of the joint monitoring committee meetings and a summary of the minutes. This will allow them to send any specific input and to be updated on the latest programme developments. In case specific partners would be interested in sending input to the joint monitoring committee discussions, the partner should contact the national contact, who will gather all inputs from the respective territory. Finally, the managing authority will publish a summary of the relevant decisions of the joint monitoring committee meetings.

As for the involvement in programme implementation, all partners will be given the opportunity to participate at the inception meetings carried out before each call for proposals during which information will be disseminated from the managing authority /joint secretariat to the potential beneficiaries but also input will be gathered from them. Finally, they will be considered for participation in the evaluation process (via targeted surveys).

## **SECTION 6 HORIZONTAL PRINCIPLES**

### **6.1 Sustainable development**

Environmental protection and sustainable development is one of the 2 priority axes of the programme reserving half of the programme’s resources. This strategic orientation is also enhanced by selection priorities in the second priority axis which targets the promotion of entrepreneurship. Even though the second axis refers to all economic activities, it concentrates on a priority basis on two sectors which are very important for the cross-border area economy:

- the agro-food industry; and more importantly
- on sustainable tourism, which is supported through 3 different intervention groups.

Furthermore, sustainable development is promoted through the guiding principles for the selection of operations under the second priority axis which include among others:

- contribution to resource efficiency (e.g. energy efficiency, renewable energy use, reduction of greenhouse gas emissions, efficient water supply, waste-water treatment and water reuse, waste avoidance and recycling etc.).
- contribution to a sustainable environment (operations under this IPA programme will not harm the environment)
- major infrastructure initiatives will be accompanied by a solid environmental impact analysis.
- contribution to the compliance with air quality legislation and, in particular, air quality measures under Directive 2008/50/EC (e.g. reductions of PM and NO<sub>2</sub>, which, in contrast to carbon dioxide, are directly harmful to the health of citizens, ecosystems, crops and buildings).

### **6.2 Equal opportunities and non-discrimination**

There is no specific priority axis dealing with equal opportunities directly in the OP, even though many interventions under the second axis will benefit social groups more at risk of poverty or social exclusion.

Equal opportunities are addressed by the programme more on the level of the guiding principles for the selection of operations which include:

- For both priority axis 1& 2:
  - All infrastructure and media (including electronic media) projects shall meet the requirements of the General Regulation 1303/2013, article 7 concerning the implementation of the principles of non discrimination and accessibility to persons with disabilities.

- all infrastructure and construction works funded under this programme – new or existing - will be made accessible to people with disabilities (mobility-impaired, hearing-impaired, and blind) unless the activity which the infrastructure and/or construction works serve is not accessible itself to people with disabilities (e.g. climbing range).
- all information and communications technology systems funded under this programme – new or existing - will be made accessible to people with disabilities (hearing-impaired, and blind).
- all training actions funded under this programme – new or existing - will be conducted in facilities accessible to people with disabilities (mobility-impaired, hearing-impaired, and blind) unless they are on-the-job trainings and the business/facility where they are conducted is not itself accessible.
- all outreach/publicity activities funded under this programme will be made accessible to people with disabilities (mobility-impaired, hearing-impaired, and blind).
- For priority axis 2:
  - individuals from special groups (young, females, ethnic groups) more at risk of unemployment, poverty and/or exclusion will be given priority for self-employment actions funded under this programme.
  - business owners from special groups (young, females, ethnic groups) more at risk of unemployment, poverty and/or exclusion will be given priority for business support actions funded under this programme.

### **6.3 Equality between men and women**

The programme does not specifically target equality between men and women, even though it does contribute to it indirectly through the promotion of female entrepreneurship in the second priority axis.

It is however sensitive to gender issues in terms of monitoring and evaluation by:

- counting the % of women participating in interventions; and
- calculating the % of support allocated to women – where relevant.

**ANNEXES (UPLOADED TO ELECTRONIC DATA EXCHANGE SYSTEMS AS SEPARATE FILES)**

1. Draft report of the ex-ante evaluation (including an executive summary of the report)
2. Strategic environmental assessment (SEA)
3. A map of the area covered by the cooperation programme
4. Confirmation of agreement in writing to the contents of the cooperation programme (Reference: Article 8(9) of Regulation (EU) No 1299/2013)