

Cross-border cooperation programme under the IPA instrument

CCI	2014TC16I5CB008
Title	IPA CBC Italy – Albania - Montenegro
Version	3.0
First year	2014
Last year	2020
Eligible from	01-Jan-2014
Eligible to	31-Dec-2023
Major amendment (requiring EC approval - cf. Art. 96 CPR)	✓
Approved by monitoring committee	✓
Justification for amendment	Following up on the letter by the European Commission of 20 July 2018 (Ares (2018)3875432 - 20/07/2018) related to the Annual Implementation Report 2017, including the recommendation by the European Commission to change the financial indicator targets of the performance framework due to a clerical error in the calculation basis, amendments to the Cooperation Programmes were approved by the JMC in written procedure on 27 August 2018 (see enclosure).
EC decision number	
EC decision date	
NUTS regions covered by the cooperation programme	AL - ALBANIA ITF21 - Isernia ITF22 - Campobasso ITF43 - Taranto ITF44 - Brindisi ITF45 - Lecce ITF46 - Foggia ITF47 - Bari ITF48 - Barletta-Andria-Trani ME - IJPHA IOPA / CRNA GORA

SECTION 1 STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO ECONOMIC, SOCIAL AND TERRITORIAL DEVELOPMENT, WITH THE VIEW OF SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND FOR ITS CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND THE RELEVANT PARTNERSHIP AGREEMENT AND COUNTRY STRATEGIC PAPER(S)	3
1.1 STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND, FOR THE MEMBER STATES, THE RELEVANT PARTNERSHIP AGREEMENT AND, FOR IPA BENEFICIARY(IES), COUNTRY STRATEGIC PAPER(S).....	3
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).....	3
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.....	22
1.2 JUSTIFICATION FOR THE FINANCIAL ALLOCATION	24
TABLE 2: OVERVIEW OF THE INVESTMENT STRATEGY OF THE COOPERATION PROGRAMME	27
SECTION 2. PRIORITY AXES.....	28
2.1 DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE	28
2.1.1 Priority axis - PA 1	28
2.1.1 Priority axis - PA 2	47
2.1.1 Priority axis - PA 3	66
2.1.1 Priority axis - PA 4	84
2.2 DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE	100
SECTION 3. FINANCING PLAN	113
3.1 FINANCIAL APPROPRIATION FROM THE IPA (IN €).....	113
3.2.1 Total financial appropriation from the IPA and national co-financing (in €)	114
3.2.2 Breakdown by priority axis and thematic priority	114
SECTION 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT (WHERE APPROPRIATE).115	115
4.1 COMMUNITY-LED LOCAL DEVELOPMENT (WHERE APPROPRIATE).....	116
4.2 INTEGRATED ACTIONS FOR SUSTAINABLE URBAN DEVELOPMENT (WHERE APPROPRIATE)	117
4.3 INTEGRATED TERRITORIAL INVESTMENT (ITI) (WHERE APPROPRIATE)	119
TABLE 20: INDICATIVE FINANCIAL ALLOCATION TO ITI (AGGREGATE AMOUNT)	120
4.4 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, WHERE APPLICABLE, STRATEGICALLY IMPORTANT PROJECTS IDENTIFIED IN THOSE STRATEGIES (WHERE APPROPRIATE)	121
SECTION 5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME.....	124
5.1 RELEVANT AUTHORITIES AND BODIES.....	124
5.2 JOINT MONITORING COMMITTEE	126
5.3 PROCEDURE FOR SETTING UP THE JOINT SECRETARIAT	127
5.4 SUMMARY DESCRIPTION OF THE MANAGEMENT AND CONTROL ARRANGEMENTS	128
5.5 APPORTIONMENT OF LIABILITIES AMONG PARTNER STATES IN CASE OF FINANCIAL CORRECTIONS IMPOSED BY THE MANAGING AUTHORITY OR THE COMMISSION	140
5.6 USE OF THE EURO (WHERE APPLICABLE).....	141
5.7 INVOLVEMENT OF PARTNERS.....	142
SECTION 6. HORIZONTAL PRINCIPLES.....	145
6.1 SUSTAINABLE DEVELOPMENT	145
6.2 EQUAL OPPORTUNITIES AND NON-DISCRIMINATION.....	147
6.3 EQUALITY BETWEEN MEN AND WOMEN	148
SECTION 7 SEPARATE ELEMENTS	149
7.1 MAJOR PROJECTS TO BE IMPLEMENTED DURING THE PROGRAMMING PERIOD	149
7.2 PERFORMANCE FRAMEWORK OF THE COOPERATION PROGRAMME	150
7.3 RELEVANT PARTNERS INVOLVED IN THE PREPARATION OF THE COOPERATION PROGRAMME	151
DOCUMENTS.....	152
SUBMITTED ANNEXES BY THE COMMISSION IMPLEMENTING REGULATION LAYING DOWN THE MODEL OF THE PROGRAMME.....	152
LATEST VALIDATION RESULTS	153

SECTION 1 STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO ECONOMIC, SOCIAL AND TERRITORIAL DEVELOPMENT, WITH THE VIEW OF SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND FOR ITS CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND THE RELEVANT PARTNERSHIP AGREEMENT AND COUNTRY STRATEGIC PAPER(S)

[Reference: Article 2, Regulation No 231/2014 of the European Parliament and of the Council of 11 March 2014, establishing an Instrument for Pre-accession Assistance (IPA II) and Article 34 of Commission Implementing Regulation (EU) No 447./2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) 231/2014 of 11 March 2014 of the European Parliament and of the Council establishing an Instrument for Pre-Accession assistance (IPA II)]

1.1 Strategy for the cooperation programme's contribution to the selected thematic priorities and, for the Member States, the relevant Partnership Agreement and, for IPA beneficiary(ies), 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)

The Europe 2020 strategy puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The Italy, Albania and Montenegro IPA CBC Programme (2014-2020) is designed in the framework of the European strategy for a smart, inclusive and sustainable growth and the relevant national strategic documents .

The strategy contributes to pave the way of the economic development of the area of intervention (hereinafter region) and has the ambition to contribute to the implementation of the four pillars set by EUSAIR: "Blue Growth"; "Connecting the Region"; "Environmental Quality"; "Sustainable Tourism" that are coherent with the following thematic priorities set by IPA regulations and selected by the national delegations as field of the Programme assistance: enhancing cooperation and competitiveness of SME's, improving smart and sustainable economic development, protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management, promoting sustainable transport and improving public infrastructures.

The strategy has been developed taking into consideration the links between the different priorities and the specific and global impacts of implementing actions. As example: promoting sustainable transports has a direct impact on environment protection and competitiveness while it has indirect impacts on development of tourism. At the same time, in order to promote sustainable transports, efforts have to be made by researchers and innovative enterprises as far as the development of technologies and tools, by regional and national authorities regarding to policy of sensitiveness and legal framework.

According to the results of the territorial analysis, challenges have been translated into TPs and SOs with a results-oriented approach.

The overall objective of the Programme is to enhance strategic cross-border co-operation for a smart

and a more sustainable development of the Programme area, mainly across the maritime border.

Such overall objective is the basis for elaborating the Programme's strategic framework, which refers to four thematic priorities, namely:

(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;

(d) encouraging tourism and cultural and natural heritage;

(b) protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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;

(c) promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.

The selected thematic priorities are structured into four priority axes, reflecting the needs and challenges as identified in the territorial analysis of the Programme area:

1. Strengthening the cross-border cooperation and competitiveness of SMEs.

Specific Objective related to PA-1:

SO 1.1: : Enhance the framework conditions for the development of SME's cross-border market.

The main expected results are:

- a) Enhanced SME's cooperation and competitiveness through the better interaction among the business and research actors
- b) Strengthened culture of entrepreneurship and entrepreneurial mind sets, skills and attitudes.
- c) Strengthened and empowered innovation clusters and networks, in particular in their cross-border dimension, mainly in the field of blue economy, sustainable agriculture, food processing, green economy and social innovations

This priority axis is in line with the needs, challenges and results of :

Albania Country Strategy Paper, that foresees, among the results related to this field of intervention, to foster the competitiveness and innovation, in particular through the development of small and medium scale enterprises, thus enhancing Albania's integration in regional and EU markets;

to improve overall competitiveness of the agricultural sector and sustained rural areas.

Indicative Strategy Paper for Montenegro, that stresses how Montenegro needs also to improve the business environment by developing access to information infrastructure to reduce both the digital divide within the country and the gap with the EU. It also needs to support the ability of traditional industries to compete and innovate through ICT improvements, training and digital skills development. Another important mechanism to increase the competitiveness of the economy of the country includes improving the quality and efficiency of the research and innovation policy, and strengthening its links with businesses.

Italian Partnership agreement, where the Thematic Objective 3 “Promoting the competitiveness of SME’s, agriculture, fisheries, and aquaculture” is addressed to reach, inter alia, the following expected results: strengthening, modernization and diversification of territorial productive systems; Start-up and consolidation of Micro e SME’S; Enanching competitiveness, job conditions and technological innovation of enterprises in the sector of fisheries.

2. Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness.

Specific Objectives related to PA-2:

SO 2.1: Boost attractiveness of natural and cultural assets to improve a smart and sustainable economic development.

SO 2.2: Increase the cooperation of the key actors of the area for the delivery of innovative cultural and creative products.

The main expected results are:

- a) Better cross-border smart and sustainable tourism management.
- b) Improved products and services for cross-border natural and cultural assets.
- c) Increased structured cooperation and networking in the cultural and creative sectors.

This priority axis contributes to the cover the needs and to reach the main expected results as indicated in the following documents:

Albania Country Strategy Paper , where is clearly stated that IPA funds might also foresee assistance to the preservation of cultural heritage. The potential of SMEs notably in the tourism industry is underutilized. The linkage of tourism with the preservation of nature and cultural heritage could play a stronger role to boost economic growth and development.

Indicative Strategy Paper for Montenegro, that considers tourism, energy and agriculture and rural development the main areas with great potential for economic growth. The reforms for improving economic competitiveness and innovation therefore need to pay particular attention to these economic sectors. This includes, inter alia, improving the business environment, regulatory performance, access to capital for SMEs..

Italian Partnership agreement, where the Thematic Objective 6 “Protecting environment and promoting the efficient use of resources” is addressed to improve conditions and standards of touristic offer and of cultural heritage, in the areas of attractiveness; competitive repositioning of touristic destinations; consolidation, modernization and diversification of territorial productive systems (including tourism sector).

3. Environment protection, risk management and low carbon strategy

Specific Objectives related to PA-3:

SO 3.1: Increase cross-border cooperation strategies on water landscapes.

SO 3.2 Promoting innovative practices and tools to reduce carbon emission, to improve energy efficiency in public sector.

The main expected results are:

- a) Multi-level and multi-sector plans adopted in the fields of water cycle management, coastal and inland environmental risks prevention and biodiversity safeguard
- b) Integrated initiatives in the fields of water cycle management, coastal and inland environmental risks prevention and biodiversity safeguard
- c) Improved CBC/national/regional/local capacity for sustainable energy planning, done according to EU standards;
- d) Energy efficiency schemes for public administrations adopted and energy sustainability goals met.

This priority axis has been developed according to the provisions set in the National Strategic papers:

Albania Country Strategy Paper foresees that investment needs in the water sub-sector are substantial whilst management capacity constraints exist. The Programme assistance has to be envisaged to support the various to manage the basic elements of a sector approach such as strategy development, budget planning, institutional and organizational development, coordination amongst others. As far as energy sector is concerned, there is a need for reforms in order to ensure the functioning of the overall system.

Indicative Strategy Paper for Montenegro, states that assistance intervention should focus on the transposition and implementation of the water acquis, preparation of river basin management plans and creating conditions for establishing an efficient and effective water management system. In the area of climate change mitigation and adaptation, IPA assistance actions will concentrate on strengthening the institutional capacity to design, implement and monitor mitigation policies, as well to enhance the resilience of vulnerable economic sectors and infrastructure to climate change. Furthermore, IPA II may support the promotion of energy efficiency and the use of renewable energy sources.

Italian Partnership agreement where the OT 4 “sustaining the transition towards low carbon economy in all sectors” foresees the expected results of reduction of energy consumption in public buildings

and reduction of hydro geological and coastal erosion risk.

4. Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures.

Specific Objectives related to PA-4:

SO 4.1 Increase coordination among relevant stakeholders to promote sustainable cross border connections in the cooperation area.

The main expected results are:

- a) Sustainable cross border transport connections inside the area improved.
- b) Existing connections, with regular transit times and shared procedures, optimized.
- c) Quality of interregional connectivity of the area through also an efficient multimodal transport network improved.
- d) Consolidated supply logistic chain to bring a door-to-door integrated transport system introducing new intermodal maritime-based.

This priority axis contributes to reach the main expected results as indicated in the following documents:

Albania Country Strategy Paper considers as priority in the transport sector to ensure the completion and maintenance of existing investments, the connectivity to European networks, and to address safety issues.

Indicative Strategy Paper for Montenegro includes, among the main results to be achieved through IPA assistance, the improved capacity of the administration for defining an appropriate sector strategy and drafting appropriate legislation, as well as capacity building for the preparation and implementation of complex infrastructure projects; the enhancement of the opportunities for developing combined transport; the interconnection with the neighboring countries.

Italian Partnership agreement in the expected results of the Thematic Objective 7, includes the improvement of regional mobility, modal integration and improvement of multimodal connections; enhancement of the connections of secondary and thirdly links to TEN-T network.

The strategy presents two cross-cutting issues:

- “strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development” (hereinafter Research & Innovation) as a condition leading any kind of economic development;
- “promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities” (hereinafter Governance) as a prerequisite for attaining the Strategy objectives and for the efficient implementation of the Strategy policy measures and

instruments across all thematic priorities.

Both the items are considered horizontally in the breakdown of the identified pillars in specific actions.

Research and Innovation is a requisite for any kind of development and is a crucial point to be considered in the implementation of the programme intervention.

Developing the systemic dimension of innovation, improving the linkages between the various innovation players, notably the science system and higher education, the government and the private sector, with a view to facilitate technological transfer and commercialization of research results, is significantly relevant for the cooperation area. Continuous technological, managerial and operational innovation is a major driver for sustainable development and growth. Each of the public and private entities operating in the field of innovation play a diverse, yet complementary, role in the innovation and research field: governments and public institutions are key players for creating favorable conditions for innovation, supports innovative firms and universities through incentives and other mechanisms; research institutions are typically involved in basic and applied research and generate new knowledge; firms are crucial in turning knowledge into new products and services, and are active particularly in the part of the R&D leading to commercialization through development testing, prototypes, etc. The “Research and Innovation” actions will increase coordination and synergies among these players to build an effective system as driver for competitiveness and productivity gains and, therefore, for ensuring MSMEs sustainability and growth. Furthermore, stimulating enterprises to learn from each other and exchange experiences, sharing access to research and testing facilities is also a boost to establish international linkages and cluster.

The other cross-cutting issue “promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities” is fundamental for the effectiveness of Programme intervention.

Even if the participating Countries have different legislative and operational frameworks where local institutions operate; however, they have to face common challenges in the different fields of the Programme intervention. The ”capacity building” actions will increase the capacity of the public sector in the countries involved - in particular with regard to enhancing administrative and institutional capacities and to promoting sustainable development in the field of intervention according to EU standards . In this context, capacity building will, inter alia, help joint planning, financing and implementation of actions, first and foremost, to bolster macro-regional thinking.

1.1.1.1 THE PROGRAMME TERRITORY

This Cooperation Programme (CP) describes the context and priorities for cross-border cooperation (CBC) among Italy, Albania and Montenegro for 2014-2020. It aims to enable regional and local stakeholders from the three (3) countries to exchange knowledge and experiences, to develop and implement pilot actions, to test the feasibility of new policies, products and services, and to support investments. The programme is co-funded by the European Regional Development Fund (ERDF) and the Instrument for Pre-Accession Assistance (IPA) and has a total budget of 92.707.555,00 EUR (including National cofinancing).

This Section presents the eligible programme territory, analyses its main features, and provides an overview of the development challenges surrounding the Programme area, which may be addressed

through cross-border cooperation. It intends to serve as a point of departure for unfolding a programme strategy which aims to improve the economic, social and territorial cohesion of the area and – at the same time – to contribute to the EU2020 Strategy, South East Europe (SEE) 2020 and to the EU Strategy for the Adriatic and Ionian Region (EUSAIR).

Following specific requests of the participating countries, the IT-AL-ME Programme Area was extended and, as a result, is comprised of:

Member States:

Italy: 2 regions, 8 provinces

IPA countries:

Albania:

The whole country

Montenegro: The whole country

The Strategy of the programme builds upon the results of the territorial analysis, the findings of the consultation process and the lessons learnt from other Cooperation Programmes covering the same eligible area during the period 2007-2013. More specifically, the territorial analysis has taken into consideration the following documents:

- Italian Partnership agreement
- The two Regional ERDF Operational programmes for Molise and Puglia
- The EC progress report 2013 and Country Strategy Paper for Albania
- The EC progress report 2013 and Indicative Strategy Paper for Montenegro 2014-2020
- Thematic reports on Innovation and smart specialization for the three countries
- Eurostat and national statistics

1.1.1.2 GEOGRAPHICAL SPECIFICITIES

The Programme Area is located strategically between Eastern Europe and the Mediterranean sea. It covers a total of 66.365 km² and has a population of 7.805.809 inhabitants. Albania covers the largest part of the Programme Area (more than 40%), and the Italian Region of Molise the smallest (4437 km²).

The Region of Puglia borders the Adriatic Sea in the east, the Ionian Sea to the southeast, and the Strait of Otranto and Gulf of Taranto in the south. Its southernmost portion, known as Salento peninsula, forms a high heel on the "boot" of Italy. Puglia is mostly a plain; its low coast, however, is broken by the mountainous Gargano Peninsula in the north, and there are mountains in the north central part of the region. It is bordered by Molise to the north, Campania to the west, and Basilicata to

the southwest. It neighbours Albania, Bosnia-Herzegovina, Croatia, Greece, and Montenegro, across the Adriatic and Ionian Seas, respectively.

The Region of Molise borders Abruzzo to the north-west, Lazio to the west, Campania to the south, Puglia to the southeast and the Adriatic Sea to the northeast. The territory is characterized by mountainous inlands surrounded by hilly coastal plains.

Albania shares a 172 km border with Montenegro to the northwest, a 115 km border with Kosovo to the northeast, a 151 km border with the Former Yugoslav Republic of Macedonia to the north and east, and a 282 km border with Greece to the south and southeast. Its coastline is 487 km long. The lowlands of the west face the Adriatic Sea and the strategically important Strait of Otranto, which puts less than 100 km of water between Albania and Puglia. Albania has a coastline on the Adriatic Sea and the Ionian Sea. Most of the country's territory is occupied by the mountains.

Montenegro has a 293.5 km coast on the Adriatic Sea to the south-west and is bordered by Croatia to the west, Bosnia and Herzegovina to the northwest, Serbia to the northeast, Kosovo to the east, and Albania to the south-east.

1.1.1.3 TERRITORIAL SOCIO-ECONOMIC PROFILE

DEMOGRAPHIC STRUCTURE

The Italian Region, Puglia, is the most densely populated with 50% of the Programme Area's population concentrated there (4,050 million inhabitants). The latest census of 2010 recorded a population growth of +1.52% between 2001 and 2010. Moreover, a significant Albanian community of 12,000 people has been registered in the region. (Source:ISTAT)

Molise has a population of 319,780 inhabitants. The latest census of 2010 recorded a population decrease of -0.57% between 2001 and 2010. An average density of 63.60 inhabitants per m² makes it the second-smallest, least populous, and least densely populated region of Italy. (Source:ISTAT)

Albania has a population of 2,8916 million inhabitants for a total area of 28750 km². The latest census of 2011 recorded a population decrease of 8.8% between 2001 and 2011. This is due to the continuing emigration trend mainly to neighbouring countries such as Greece and Italy. It is also interesting to note that Albania records important internal migration flows toward the most developed West (mainly the coastal area and Tirana). (Source:INSTAT).

The population of Montenegro over the past two decades has remained practically unchanged in terms of total numbers, from 615,035 in 1991 to 620,029 in 2011, as per the 2011 census. The country covers an area of 13812 km² and has a population density of 44.9 per km². The demographic structure of the country, however, has significantly changed due to large migration of the previously predominant rural population to the urban areas. Along with depopulation, the rural areas and smaller cities have been hurt by a 'brain drain' process leaving them without skilled human resources.

ECONOMIC PERFORMANCE

The global economic crisis of the past five years affected significantly the Programme Area. The overall growth in terms of GDP has been sluggish. The crisis has reversed the process of convergence of regional GDP per capita and unemployment within Italy, and hit Albania and Montenegro just as they were consolidating the progress they had made after emerging from years of political instability and painful economic reform programmes. For most countries in the Balkan region, the period 2003-2007 was one of the strongest in more than a decade, with annual real GDP growth averaging about 6%, while the region also received large inflows of FDI in 2003-2007. The economic slowdown in EU countries – the main recipients of Balkan exports – and the decreased influx of foreign direct

investment triggered the first symptoms of the crisis in the Programme Area by the last quarter of 2008, from which it has still not recovered.

Even though Italy is the third largest economy in the Eurozone, its economy has been shrinking during the recession years. In the Region of Puglia, over the period 2000-2011, the growth rate of the GDP per capita was -3,4%, shrinking at a faster rate than the national average (-2,3%). Although Puglia is considered one of the most dynamic regions in Southern Italy, over the period 2000-12 the convergence of gross GDP to national values was weak, especially because of sluggish productivity growth (+1.7 vs. +2.3%) (Source: DG Enterprise and Industry, Regional Innovation Monitor Plus).

In Molise, the real GDP growth rate was -10.8% in the period 2008-2012. In 2012, the GDP growth rate was still particularly bad: -2.5%. Per capita GDP was equal to €17,337 in 2012. There was approximately a 8.6% decrease since 2008 (Source: DG Enterprise and Industry, Regional Innovation Monitor Plus).

In Albania, economic growth slowed to 1.6% in 2012 from 3.1% a year earlier. Financial constraints, low confidence among investors and the global crisis affected the economy. Albania experienced a slowdown in 2012 due to weak private domestic spending. Despite the fact that year 2013 marks the lowest economic performance of Albania in the past 10 years, still a GDP growth of 0.7% is estimated. Economic weakness was a result of a frail domestic aggregate demand caused by the reduction of remittances due to the weak economic situation in Greece and Italy, but also by the reduction of government budget revenues and consequently lower public investment in infrastructures and other important sectors (Source: INSTAT)

Montenegro's GDP per capita in 2013 was 5,356 EUR, while in 2012 it amounted to 5,074 EUR. The real growth rate of GDP in 2013 was 3.3%. After two years of moderate growth, the economy entered into recession in 2012 having difficulties to attract foreign investment needed for its reactivation. Real GDP contracted by 2.5%, pulled downward by the poor performance of industry, construction, transport, financial services and agriculture.

The economy of the Programme Area is mostly a service based economy. The tertiary sector is dominant. The tourism sector represents a major element in the economy, in terms of absolute value, Gross Value Added (GVA) and employment. Importantly, it offers an opportunity for future economic growth and the rebalancing of the economy. The share of the primary sector is low compared to the other two sectors of the Programme Area's GVA, but remains important both as a source of employment and income, especially in rural areas.

The services sector dominates the economy of Puglia, even though agriculture is quite important leading the national trend. Puglia produces 23.1% of the value added of the agricultural sector of the Italian South and 9.5% the national one.

In Molise, the analysis of Value Added at current prices also shows an increase in the weight of the primary sector in the definition of the total result of the regional economy: in 2011 it resulted as 4.4%. The services sector records a more significant increase up to 71.1% in 2011.

In Albania, in terms of GDP structure, 50% of value added in Albanian economy is created by the services sector in 2013. However, agriculture remains one of the largest and most important sectors with a lot of dynamic developments. It represents around 20% of GDP while accounting for about half of total employment. Albania's agricultural sector continues to face a number of challenges, including small farm size and land fragmentation, market limitations due to competition from Greece and Italy, limited access to credit and grants and inadequate rural institutions.

In Montenegro, the share of services in GDP is estimated to increase from 69% in 2010 to the level of 77% in 2016. Key sectors of the economy are increasingly becoming tourism and agriculture, along

with the already strong energy sector. Agriculture (characterized by a large number of small agricultural households) accounts for 7.4%, industry and mining 5.4%, construction 4.6% and transportation 4.1% of the valued added. Companies in the arts, leisure and recreation sector accounted for 2% of gross added value in 2012. (Source: Monstat).

LABOUR MARKETS AND EMPLOYMENT

Conditions in the labour market of the entire Programme area are fairly critical. The unemployment rate is more than double the EU-28 average rates (10.8%). Inequalities also appear in regard to age and gender. Youth unemployment rates are particularly high. Women's unemployment is also soaring and follows the same pattern in all participating regions, reflecting very small integration of women into the labour market. Internal migration and the informal sector constitute structural aspects of employment in the entire Programme Area.

In Puglia, employment is concentrated in services (including the public administration) a sector that represents 66 % of the employed population; the figures are lower for industry (25.4 %) and agriculture (8.5 %). The unemployment rate is standing at 23% in 2013. Those in employment are principally men. It is interesting to note that 2012 figures reports positive trends –since 2010 – in women's employment. In the past five years there has been a significant increase in immigration levels whereas historically Puglia has always had a high level of emigration. Another significant phenomenon is commuting by 'teams' of specialized workers who periodically move to the north of Italy to work as subcontractors for large construction firms. (Source: EURES- The European Job Mobility Portal).

The Region of Molise has an employment rate equal to 54.7% (20-64 age group) during the period 2010-2012. It holds the 16th position among the Italian regions and the 1st position among Southern Italy regions.. Negative trends in employment dynamics start after 2008. Youth unemployment rates (aged 15-24) in 2011-2012 rose from 28.6% to 41.9%. It is important to note that the highest loss of workers hit less skilled employees during 2007-2010.

The economic growth registered in the last decade in Albania is not very much visible on formal employment levels. In 2007, the first labour force survey recorded an employment rate of 56.4%. The registered unemployment rate in 2013 remained high at 13% on average, at the same level as in 2012. The registered unemployment rate remained high at 13% on average, down slightly from 13.4% in 2011. The labour market in Albania is influenced by many factors, such as higher participation rates of young people in education. The Labour Force Survey (LFS) in 2012 showed that the participation rate in work was 65.5 percent (74.3% for men and 56.6% for women). The labour market is characterized by high participation of self employment reflecting the entrepreneurial spirit of the population. The informal economy remains an important provider of jobs, and child labour remains an important challenge. (Source: INSTAT)

In Montenegro, a shift is noted from its industrially oriented economy to services. In 2012, approximately 76% of workers were employed in services and 18% in industry. The total number of employed people according to MONSTAT in 2013 was 171,474. In 2013, the trade sector employed the majority of workers (21.8%) followed by the public sector (12.0%). Only 2.54% of the total labour force is employed in agriculture (in the Programme Area, 1.53% of total employed population).

In Montenegro unemployment is high at 19.1% in first quarter of 2014, and has remained practically unchanged since 2010. . Regional disparities are significant. In the coastal and central regions, the unemployment rate is 10% and 15.6% respectively, but it rises to 36.7% in northern Montenegro. Unemployment particularly affects the young (15-24 years) and the long-term unemployed. The slow process of employment generation has also been accompanied by unfavourable migration trends and a steady 'brain drain' process. In the internal migration from the less developed north to the more

developed central and coastal areas, the northern region has lost 9.34% of its population from 2007 to 2012.

EDUCATION

Education is one of the most important tools to fight poverty. The EU target is to improve the quality and effectiveness of education and training by reducing school drop-out rates to less than 10% and increase share of people in tertiary education to at least 40%. The Italian participating regions are still far from reaching these goals but the situation is improving over the last decade. The two IPA countries are characteristically suffering in the field of vocational training, which often does not provide the needed skills and preparation to compete in the labour market. Links between educational institutions and the business sector tend to be weak and result in low innovation, research and development activity.

In Italy, education allocates 4.29% of the GDP. The educational domain in Puglia highlights good results despite the relatively low performance of the region with regard to Italian average. However, the school dropout rate is very high (19.9% in 2013), above the national average of 17%, with the 20% of young people aged between 18 and 24 years, leaving school early. (Source MIUR).

Molise holds the sixth position in Italy in relation to education and training of youngsters aged 15-19. Molise remains far from the EU 2020 target (i.e. 40% of regional population aged 30-34 with tertiary education attainment); the University attractiveness index scores a negative trend in 2012 (-26%), while the share of population aged 18-24 years without any degree is lower than 20%. (Source MIUR).

Montenegro allocates approximately 4.5% of its GDP to education (2010). Its educational system is relatively well developed. Less than 2% of the inhabitants are illiterate. Secondary schools are located in every city. The tertiary educational system consists of one public university, two private Universities and seven private individual faculties. 70% of all secondary graduates enrol in high education institutions. Nonetheless, the quality of school and university education needs to be improved. In addition, there is a mismatch between education qualifications and the labour market, but the country has started to address its priorities in this area.

Education is considered a priority field in Albania. In the last 10 years public expenditures on education barely exceed 3% of GDP but in meantime this figure does not include a lot of private incentives which have appeared in field. Unlike general education, vocational education has recorded a downward trend. The number of students enrolled in vocational education institutions declined during the period 2006-2011 by about 38% since they are switched to tertiary education. Vocational education is conceived as second best to tertiary education and not as a way to enter the labour market. Opportunities for lifelong learning and opportunity for persons previously removed from education and low-skilled workers to enhance their competencies for work are still limited in quantity and in quality.

HEALTH

Health in the Programme Area represents a sector in which significant progress still needs to be achieved. Italian regions are among the least developed ones with regard to the Italian average with characteristically high percentages of hospital migration for recovery. In the IPA countries, significant

efforts are taking place to align health policy with EU standards. However, ambitious goals are limited by the low level of public expenditure. Public health expenditure is characteristically low in the Programme Area (Montenegro records the highest with 9.12% of GDP followed by Italy with 7.2% and Albania with 2.8%). (Source: Health 2020 as a Framework for Creating Synergy Between Health and Other Sectors Experience of Montenegro, July 2014)

Puglia Region is still classified among the ‘less developed’ ones in Italy. Its public healthcare service is organized into six local authorities, two hospital trusts and two research institutes, with a total health workforce of about 40,000 professionals. 660 is the total number of clinics and general hospitals; Hospital migration in terms of transfers for recovery reaches 7.3%; Integrated Domestic Elderly Assistance (IDEA) for people aged over 65 is equal to 2.2%, while existing dedicated hosting structures are currently 1.200. The improvement of quality and accessibility of services especially in rural areas, the enforcement of infrastructures and the full implementation of e-health tools for managing socio-sanitary policies are some of the main goals for 2014-2020 programming period (Source: ISTAT).

Molise Region disposes of 58 clinics and general hospitals. A specific problem seems to be hospital migration, translated in transfers for recovery. In fact the related percentage in 2012 was 20.8, which represents the highest rate among Italian Adriatic Regions. Additionally, Molise is classified as a ‘transition region’ concerning children aged 0-3 served by childhood services sharing socio-sanitary difficulties with the rest of Southern Italy, whose average in this particular category reaches 5%, against 17.9% in Northern Italy. IDEA for people aged over 65 is equal to 3.9% (Source:ISTAT).

In Albania, the health system is mixed with public and private health services. In private hospitals are offered better services while in public hospitals still remain some problems of shortages due to high accumulated debt from public entities and unequal distribution of health services among hospitals. The EC progress report of 2013 emphasized that ‘‘Primary healthcare lacks appropriate funding and human resources. The coverage of insurance-based care is still very low. The public hospital sector remains underdeveloped whereas the private sector is growing without proper regulation’’. However despite problems and shortages in Albanian health system life expectancy at birth in Albanian is one of the highest in the region with 77 years, compared with 75 years in Montenegro and 83 in Italy.

In Montenegro, primary health care is provided at municipal level (18 medical centres and three health stations). Secondary health care is provided through seven general hospitals, three specialized hospitals, one clinical centre, one institute for physical medicine, rehabilitation and rheumatology ‘‘Dr Simo Milošević’’ AD Igalo and five stationary facilities. The government strategy ‘Health Policies in Montenegro up to 2020’ aims to integrate Montenegro’s health system with the European and global health development process.

As far as life expectancy is concerned, it has been extended over the past 10 years in all three countries. However, Italy has a higher average of life expectancy with 79.7 years, while in Albania is 2,2 years less (77.5 years) and in Montenegro is only 76.1 years.

Furthermore, infant mortality is decreasing over the years, but it still high in Albania reaching 8.7 infants per 1000 live birth while in Montenegro and Italy is almost half, 4.4 and 3.1 respectively.

Through crossborder cooperation Italian regions could establish transnational networks of healthcare providers and set up actions to manage hospital migration (e.g. according to Regulation (EC) No 883/2004 for transferring patients suffering from rare diseases to other Member States), while Albania and Montenegro may strengthen the capacity for transposition of the EU Directive 2011/24 into their countries. The whole territory may contribute to improve safety, quality and efficiency of existing healthcare systems, benefit from the mobility of expertise and have access to highly specialised care services.

1.1.1.4 RESEARCH, INNOVATION & SME COMPETITIVENESS

SME innovation is one of the major drivers for competitiveness. The Programme Area lags behind the European economy in terms of economic development and obviously necessitates measures of support. Its innovation system is weak, characterised by low R&D investment, low employment in high-technology sectors, small number of patents, insufficient cooperation networks, lack of SME internationalisation and inadequate collaboration between SMEs, Business Support Organizations and research centers. These conditions are made more critical by the economic and debt crisis affecting the national economies of the participating countries. More specifically, the competitiveness and innovation performance characteristics of the Programme Area can be summarised as follows:

The Italian regions of Puglia and Molise allocate significantly lower GDP shares to RTD (GERD) in comparison to the Italian and EU average; similarly business share in GERD is less than EU average;

Patent applications rates are very low in the two regions; Italy also scores much lower than the EU average;

Puglia has low employment in high-technology sectors; Italy similarly is below EU average levels; the same goes for employment in knowledge-intensive services;

The number of researchers and the total R&D personnel is lower than Italian and EU average; education indicators also lag behind;

Italy's SME competitiveness performance is lagging behind EU average considerably; investments are at EU average;

Italy's eligible regions have more different profiles (from "Low tech regions" to "Advanced manufacturing regions" and "Advanced services regions" and from "Research intensive regions" to "Regions with no specialization in knowledge activities").

The following key observations (conclusions derived from World Bank's "Overview of the research and innovation sector in the Western Balkans", 2013) can be made for Albania and Montenegro:

Low scientific performance, resulting from the insufficient supply of inputs—human resources, research funding, and facilities; nevertheless scientific performance is showing signs of improvement;

Brain Drain- for example, in Albania more than 50 percent of all lecturers and research workers emigrated during the period 1991–2005;

Obsolescence and depreciation of research infrastructure; poorly shared across institutions;

Low patenting activity; inadequate management of intellectual property (IP);

Inefficient technology- transfer mechanisms and commercialization of research results;

Missing links of industry-science interactions; ad hoc collaborations without long- term strategy;

Businesses show little interest to invest in research and innovation; declining trends in the employment of researchers by the business sector;

Missing legal framework to manage intellectual property; missing reforms to facilitate contract

enforcement, competition, access to finance, and labour market regulation;

Restructuring and consolidation of public research organizations remains unfinished.

REGIONAL INNOVATION CHALLENGES

Puglia can boast a significant industrial system. Located around the large industrial area of Bari, Brindisi and Taranto, but also with significant presence in the Salento, plants and larger production sites are operating in the fields of iron and steel, basic chemicals and fine rubber, glass, energy, automotive, aerospace, food processing, ICT and building materials. Next to them are present in various towns smaller industrial settlements. The regional system of R&D is composed of five (5) Universities (4 state, one private) and their Industrial Liaison Offices (ILO), research centres both public and private, from the Technology Parks of "Technopolis" Valenzano and the "Citta della ricerca" in Brindisi and other technological districts. Puglia has been involved in the aeronautics sector since 1934. Continuous investments in research and development have turned Puglia into a centre of excellence in the aerospace sector which boasts one of the largest industrial concentrations of aerospace firms in Italy and where numerous companies have state-of-the art production facilities. In the last years, the aerospace sector has experienced significant growth. SMEs involved in space account for a yearly turnover of 1 billion EUR and employ about 6 000 people - sometimes recruited directly from the university .

An aeronautical cluster is present in Puglia and includes large and small enterprises, most of which are situated in the province of Brindisi. It is important to note that Puglia is the only region operating diverse business specialisations: «fixed-wing"(Alenia), "rotating-wing"(AgustaWestland), propulsion and aerospace software (Space Software Italia).

Aero-space research is carried out at the University of Bari, the Polytechnic of Bari and the University of Salento, and also in research centres such as: CETMA, ENEA, CNR-IMM, CNR-ISSIA and Consorzio OPTEL. Considering that much of the research linked to the aero-space cluster indirectly concerns also other fields, ARTI (Regional Agency for Technology and Innovation) estimates that approximately 500 researchers are involved directly or indirectly in research activities relating to the aero-space sector. 300 of them are employed by universities (200 at the University of Bari and 100 at the University of Lecce) and over 200 by research centres, mainly situated in the province of Brindisi.

In the recent years, Puglia has strongly promoted a cluster policy. There are currently 18 thematically driven clusters. Among them, the Creative Puglia cluster brings together 302 private and public partners (companies, foundations, consortia and associations as well as trade unions, Centre for Vocational Training and Research, Industry associations, Handicraft and Trade representatives). Cultural sectors are widely represented: visual art, audio visual, dance, music, multimedia, design, etc.).

The cultural and creative sectors are a key strategic resource for Puglia, which records significant results:

- Growth in the demand for cultural and creative products: all creative and cultural industries recorded increased audiences and consumers, above national averages. Specifically, for what concerns cinema and live entertainments, in the period 2008-2010 Puglia registered :

- o more events (+ 44%, from 94,215 to 136,345);

- o more spectators (+26% from 7.9 mln to 10 mln);
- o more tickets (+ 43%, from 943,000 to 1,350,000);
- o Increase in tourism demand (+23% during the period 2002-2012);
- o Expansion of the cultural and creative networks: over 200 new public areas.

In Puglia there are also the headquarters of all major public research centres. In addition to a system of networks of public laboratories, Puglia has a significant presence in the framework of European research infrastructures. It is worth to mention the IAM - Mediterranean Agronomic Institute of Bari, the International Centre for Advanced Mediterranean Agronomic Studies, the Mediterranean Centre for Climate Change (CMCC), and the ESFRI infrastructure for biodiversity.

Several research consortia are also present in the region, such as the Centro Ricerche Bonomo, CETMA, OPTEL, ISBEM and Laser Centre that have a significant public participation.

The analysis of patent activity in Puglia region in the period 1980 - 2011 highlights the prevalence of "Mechanical" and "Chemical" macro-sectors. Almost 40% and 19% of patents in these two sectors have been registered respectively from Puglia from 1978 to 2010.

However, despite progress in terms of innovation capacity and the increasing awareness about innovation issues in regional policy-making, Puglia remains one of the least innovative regions in Italy (Source: EU Regional Innovation Monitor Plus). In Molise, the regional innovation system is fragile and characterised by low R&D investment. All indicators show a very limited innovation capacity with respect to both North-Central and Southern Italian regions. In 2011, the total R&D expenditure was only 0.42% of the GDP, significantly lower than the national average (1.25%).

The share of SMEs introducing innovation products or processes was 16.4% in 2010 (last available year), half of the Italian average. These data show the weak competitiveness and fragmentation of local industry. Moreover, the innovation system is also affected by the lack of collaboration between public research and business, as well as by the weaknesses of local organisations providing technology transfer and business services.

The inadequacy of regional technological infrastructures (poorly developed broadband network and logistic facilities and the low level of ICT diffusion are other constraining factors that hinder the development of an innovation friendly environment.

According to the Global Competitiveness Report 2013-2014 of the World Economic Forum, the Global Competitiveness Index for Albania is 3.8, while the innovation and sophistication factor is only 3.1. Efforts to stimulate innovation and to strengthen human capital are being made. The national budget for research slightly increased, but the level of investment in research and technological development is still low. Level of investment in research as a share of GDP is estimated around 0.35%, however this figure does not include the private sector contribution (private universities, SMEs), despite the fact that it is limited. The private sector remains dominant and continues to account for about 80% of GDP. Business registration and licensing continued to perform well through the established network of one-stop shops. In 2012 the number of new businesses registered grew by 8% year-on-year; they make up 12% of all active enterprises. SMEs play a very important role in the Albanian economy, providing 71% of official employment, a. 90% of active enterprises in Albania are micro enterprises (1-4 employees), of which 87% operate in the services sector.

Montenegro's innovation policy focuses mainly on research, in order to become a knowledge-based society and increase its economic competitiveness. According to the Global Competitiveness Report 2013-2014, the Global Competitiveness Index for Montenegro is 4.2 while Innovation and

Sophistication is only 3.6. The level of investment in research increased from 0.13% in 2010 to 0.43% of GDP in 2012. About three-fifths of the 1.62 percent gap in R&D financing (GERD) between Montenegro and the EU can be traced to exceptionally low private sector spending, while the remaining 40% is due to inadequate public sector performance. The private sector in Montenegro contributes 27% of the GERD. Yet government budget outlays on R&D as a share of total general government expenditure have increased from 0.20 percent in 2008 to 0.27 percent in 2010. The plan is to raise the level of investment in research to 1.4% in 2016 (source: Ministry of science).

Commercialization of research and private sector spending on R&D are hampered by weak technological capacity. R&D Survey results for 2011 show that 2,303 personnel were engaged in R&D jobs that year, of which 1,699 were researchers. Approximately 65% of those employed in R&D institutions work at the University of Montenegro. (Source: MONSTAT)

Montenegro recently created its first science and technology park and has taken several measures in line with the European Research Area and Innovation Union to strengthen capacity building. In 2012, it amended the Strategy on scientific research activities 2012–2016, placing greater focus on development research and introducing new instruments to bring national research funding more in line with the EU research priorities. On 1 June 2014, a first Centre of excellence named Bio –ICT was established in bio-informatics.

Montenegro has research infrastructure potential in the areas of: (a) biomedical and life sciences; (b) Information and Communication Technologies (ICT); and (c) materials science (Source: WESTERN BALKANS REGIONAL R&D STRATEGY FOR INNOVATION; WB, 2013).

SMEs contribute around 60% of Montenegrin GDP. They account for about 99% of the total number of enterprises and their share in total employment is about 67%. . Public-sector support for SMEs is far from optimal. Most SMEs lack managerial and marketing experience.

Business support services (business centres, business incubators, business advisory services, etc.) to help them build up performance and strengthen their competitiveness, are not well developed. Furthermore, the business advisory profession and tradition of using its services is still in the early stage of development in Montenegro. Other constraints include the existence of business barriers and inadequate access to finance. These discourage initiatives for fostering cross border cooperation and creating various types of business clusters and vertically integrated company linkages. So far, for example, out of the 63 potential business clusters identified to date, only 4 have been established in metal-processing, inland water fishing, wine production and olive oil production. Consequently, options should be explored for reducing business barriers and creating a more business-friendly environment for cross border cooperation.

The Indicative Strategy Paper for Montenegro 2014 – 2020 sets as priority the development of a comprehensive industrial competitiveness strategy and of the necessary administrative capacity needed to ensure its appropriate implementation.

1.1.1.5 TERRITORIAL ATTRACTIVENESS: NATURAL AND CULTURAL HERITAGE

TOURISM AS A DRIVER FOR GROWTH

The Programme Area is a culturally diverse European region that has unique cultural/historic heritage, attractive natural landscapes, and old culinary traditions offering a variety of eno-gastronomic and folk craft products. Tourism is therefore one of the important drivers of the Programme Area economy, in terms of absolute value, Gross Value Added (GVA) and employment. However, the Area is characterised by inefficient cross-border territorial synergies, seasonal tourism demand, lack of brand

reputation, absence of sustainable identity promotion strategies, and difficulties in accessibility. Furthermore, its economic development is particularly compromised by the lack of planning instruments for the smart and sustainable cultural and natural heritage, along with the shortage of knowledge, experience and skills in destination management and marketing, as well as the lack of differentiated and innovative tourism products and services. In this context, the Programme represents an opportunity for the area to develop jointly shared models for sustainable tourism management at macroregional level and to promote less known destinations, through better links to traditional tourist offers.

Overnight stays during the period 2008 – 2011 in the Programme Area were about four times higher than the European average in the same period. The Italian regions obviously show the highest tourism rates, while Albania records the highest tourism growth rate (50% increase from 2008 to 2012). Tourism tends to concentrate in coastal regions.

The Italian Adriatic Regions have by far the largest tourism accommodation capacity. Across the Programme Area countries, the share of inbound tourism (visits from abroad) differs very widely: in 2011, it ranges from a low of 40.9 % of total nights spent in Italy, 44.4% in Albania to a high of 88.8 % in Montenegro. Montenegro is in the lead recording the longest length of stay in the Area, with an average 6.35 days, and Albania the lowest with 2.5 days.

Tourism demand in Puglia remains below national average. In Italy, Puglia is among the top 5 leisure tourism destinations in terms of internal arrivals and ranks 7th for business tourism. According to 2013 regional data, over 3.1 million arrivals and approximately 13.3 million overnight stays have been registered. The contribution of the tourism sector to GDP is at the range of 8% and, according to IPRES forecasts, the trend is positive and tourism will result even more relevant in the next years. Maritime tourism is especially important for the region: there are 64 ports, of which 46 on the Adriatic side and 18 on the Ionian side, hosting a total amount of 12.703 boat moorings, fully congested during summertime. (Source: Agenzia Puglia Promozione, IPRES).

Molise is very seasonal and is concentrated along the coastal sites. Only 36.4 beds per person are available each 1,000 inhabitants. Moreover, 80% of the hotels are located near Campobasso and its province. According to UNIONCAMERE data (2011) the percentage of tourist enterprises of the overall existing enterprises in Molise, reaches 6%, against a national average of 6,6%.. Only 4,2% of regional employees come from this field, below national value (5,3%).

Private operators in Molise cultural sector corresponds to 0,5% of national cultural enterprises. The percentage of cultural employees (1,3%) is below Southern Italy average (1,6%) and below national average as well (1,7%). At a glance, one of the main needs of the territory seems to be the creation of networking among cultural and historical heritage and natural landscapes. So, it appears necessary to better enhance - through appropriate joint initiatives of cross-border cooperation - ancient rural boroughs, historical sites and green treasures which can represent a model of attractiveness in terms of genuine lifestyle, environmental quality, social cohesion against demographic loss. (Source: Unioncamere Molise).

In Albania, the development of sustainable tourism potential has been identified as a key challenge since the previous programming period and remains one of the main strategic priorities of the government. Despite the steady growth of incoming travellers over the recent years, the number of travellers remains low compared to neighbouring countries of Greece, Montenegro and Croatia. Hotel accommodation capacity, which recorded a steady growth until 2011, has slowed down during the past three years. There is still space to improve hospitality standards and differentiation of tourism product. The Ministry of Tourism is in the process of preparing the new Tourism Strategy for the period 2014-2020 and has launched a process for preparation of a National Coastal Spatial Plan and a lot of ambitious projects in support of tourism. The government is improving management and has

adopted more strict measures against uncontrolled development and illegal construction throughout the coastal zone.

Tourism has been in expansion over the past years in Montenegro and has become the country's key industry. Besides attractive coast and several inland cities, the country offers unique landscape resources, mountains, forests, lakes, clean rivers, mineral and thermal springs, natural parks, biodiversity, old traditional villages and rich historical and cultural heritage, including a well-known culinary tradition of its diverse ethnic groups. The National tourism organisation builds on these qualities to promote the country on the global tourism market as the 'Wild Beauty'.

In Montenegro, 1,492,006 arrivals were recorded in 2013, 3.6% more in comparison with the previous year 2012, while overnight stays registered a 2.8% increase from 2012. Overnight stays of domestic tourists represent 10.6%, while the foreign tourists represent 89.4% of all overnight stays in 2012. The tourism sector accounts for 19.5% of GDP. In 2013 the direct contribution of travel and tourism to GDP stood at 9.8% of total GDP. (Source: Montenegro Statistical Office, 2014)

The key weaknesses hampering tourism development, particularly outside the major tourist centres on the coast, are inadequate hospitality infrastructure, insufficient capacity to plan and implement tourism development programmes, poor management and marketing skills, static and ineffective tourist promotion, lack of financial resources, low integration of cultural heritage in the tourism offer, lack of information exchange within the tourism industry, low level of networking between tourism operators and other sectors like agriculture, and lack of differentiated and innovative tourism products and services that would encompass the whole region and make it more attractive to potential tourists. Consequently, the tourism season is short and one of the key challenge that its promoters are facing is to extend it beyond the summer months accounting for more than 75% of visitor arrivals.

(Data in this section are derived from Eurostat, ISTAT, ISTAT, MONSTAT).

PROTECTION AND ENHANCEMENT OF NATURAL RESOURCES

The Programme Area has a wide set of valuable natural areas in terms of landscape and rich biodiversity, including forests, agricultural land, mountainous zones, watercourses and coastlines, caves and cavities of karst origin with a typical territorial appearance. However, as noted earlier, the Programme Area is characterised by inefficient cross-border territorial synergies, seasonal tourism demand, lack of brand reputation and absence of sustainable identity promotion strategies. Furthermore, it is important to note the distinct line between the participating EU-member state and the two IPA countries as regards the protection of natural resources. The Italian regions' share of protected areas and Natura sites is much larger. This undoubtedly indicates a different approach in designation and management of these areas. It is clear that the two non-member states need capacity building, better enforcement and proper coordination, since strong and well equipped administration at national and local level is imperative for the application and enforcement of the acquis. A more careful development planning that takes into account the unique natural values at cross-border can be envisaged with this Cooperation Programme.

In Puglia there are different categories of sites under protection, according to EU, national and regional law. They include: 2 national parks; 16 national natural reserves; 3 marine protected areas; 19 regional protected areas. In relation to NATURA 2000 there are 89 sites of interest (20,6% of the regional surface), of which 11 are Special Protection Zones. (Source: Istat)

The region of Molise has a variety of important Natural Protected Areas (1,46% of regional surface):

One National Park, shared with Lazio and Abruzzo; four Natural Reserves; two Oasis managed by environmental activist organizations. In relation to NATURA 2000, 85 sites of Community Interest can be found (21,5% of the regional surface), as well as 12 Special Protection Zones (14,7% of the regional surface). (Source: Istat)

In Albania the proportion of protected territory was increased from 0.75% to 15.83% and includes 17 National Protected Areas, five Managed Natural Reserves, Nature Monuments, Protected Landscapes and Ramsar sites. The current coverage of protected areas is uneven and is not representative of the different habitat types which exist in the country. The national network is still small to have an effective long-term impact on biodiversity protection. The government has taken a lot of measures to eliminate threats by informal construction, woodcutting and illegal hunting. Fishing resources are also endangered particularly due to the over-fishing near coastal area and use of illegal practices. Only a few steps have been taken following the acceptance by the Bern Convention in 2011 of the candidate sites proposed by Albania for the Emerald Network.

Montenegro has a network of 5 nationally protected parks , which covers 7.37 % of the national territory: Durmitor, Skadarsko jezero (Skadar Lake), Lovćen, Biogradska gora and Prokletije. The rest includes over 48 protected areas designated as: Natural Monument, Landscape of Outstanding Qualities, and Nature Reserves covering 1,69% of the territory. All Nature Reserves (except for Tivatska solila) are located within the two National Parks – the Lake of Skadar and Durmitor Mt. – thus forming their integral parts). Transboundary areas are also included in the network, such as the Lake of Skadar, shared between Montenegro and Albania. Forests are the most extensive ecosystem in the country, covering approximately 45% of its territory. (Source: “Results of the initial evaluation of Protected Area Management in Montenegro using RAPPAM Methodology”, Ministry of Tourism and Environment of Montenegro, 2011)

Montenegro is aligning its nature protection policy and preparing for establishment of the Natura 2000 network, even if most of actions have not been implemented to date due to a lack of capacity, financial limitations and other pressing priorities. Among others, the development of scientific information and data required for the designation of sites slated for protection is still at a very early stage. Municipal authorities responsible for preparation of studies and protection of sites of regional importance) do not have the sufficient knowledge or means to engage in such endeavors, and are unable to stop uncontrolled development. Disappearance of natural features of protected objects of nature is pronounced in the Montenegrin Littoral where the tourism/urban development pressure is dominant, particularly on the protected beaches and their immediate hinterland. The implementation of the Coastal area management programme (CAMP MNE), prepared with UNEP support in 2014, along with more careful development planning taking into account the unique natural values of the coast could stop further degradation of this area.

IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer. These are the missing paragraphs:

1.1.1.6 ENVIRONMENTAL PROTECTION, RISK MANAGEMENT AND LOW CARBON STRATEGIES

1.1.1.7 CROSS-BORDER NETWORKS AND ACCESSIBILITY

1.1.1.8.SWOT ANALYSIS

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
<p>b - Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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>The CP area countries are facing common challenges related with more efficient and sustainable use of natural resources. This TO is relevant since it is not only addressed to the preservation of protected areas and biodiversity, but is involving crucial elements for sustainable growth, such as resource efficiency, climate change adaptation and mitigation, use of renewable energies and focus on green/blue economy. Regarding energy efficiency the CP area has still untapped potential to reap economic advantages through further utilization of renewable energy (e.g. wind, water, solar/geothermal, biomass etc). Most of the regions of the Programme area show high energy consumption and a low degree of energy efficiency of buildings, which are the main contributors to greenhouse gas emissions. Efficient use of energy leads to a low-carbon economy, to combating climate change. The territorial analysis shows there is need to improve energy sector & efforts by public bodies to adopt EU standards.</p>
<p>c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.</p>	<p>The thematic priority is highly relevant given that the Programme Area is characterized by high territorial fragmentation which constrains the potential for integrated territorial development and accessibility. The territorial analysis underlined that transport systems are characterized by low interoperability, and it's necessary to better organize the use of existing transport infrastructures and corridors with the aim to enhance the potential of the regions to function as hubs for tourists and trade, improving the intra and interregional connectivity. The enhancement of cross border connections (with a particular attention to facilitate custom procedures) is of critical importance in order to achieve this goal, and could also positively affect essential services, such as healthcare system, when mobility and hospital migration is interested.</p> <p>Improving skills in sustainable transport systems for operators and management is a major challenge particularly for IPA countries.</p>

Selected thematic priority	Justification for selection
d - Encouraging tourism and cultural and natural heritage.	<p>The thematic priority is relevant since sustainable tourism development is the major comparative advantage of the CP area, and it has the potential to counterbalance the effect of economic crisis. Despite the tourism appeal of each individual part of the CP area, is still missing the branding of the area as a tourism destination at macro regional level and development of common tourist routes and products. This issue represents a big potential for cross border cooperation. According to the conclusions of the territorial analysis, there is more potential for development of distinct and diversified tourism products linked with the tourist offer and valorization of natural and cultural assets and lesser known destinations, through common branding and promotional actions. This could be achieved also through an integrated promotion of cultural and creative activities. It is necessary to encourage a joint involvement of operators, public administration and stakeholders skills and competences</p>
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.	<p>The thematic priority is relevant according to territorial needs and challenges of the Programme Area since the enhancement of SME competitiveness is a crucial factor for its overall economic performance and smart growth. According to territorial analysis conclusions several critical factors related with low investment in R&D, poor entrepreneurial and innovation capacities, lack of support services and missing linkages among research and SMEs are constraining the potential for SME development and competitiveness. The development of new cross border markets, especially in the fields of blue economy, sustainable agriculture, food processing, green economy and social innovation could support the internationalization of SMEs, thus contributing to reduce unemployment rates, brain drain and creating the favorable conditions for attracting investments, as well as applying new technologies to the healthcare system, e.g. through the development of innovative services, enhancing e-health, etc</p>

1.2 Justification for the financial allocation

Justification for the financial allocation (i.e. Union support) to each thematic priority in accordance with the thematic concentration requirements (taking into account the ex-ante evaluation).

The overall Programme budget is EUR 92.707.555, with an Union Support of EUR 78.801.422, as detailed in section 3. The financial allocation to the chosen thematic objectives reflects:

- the estimated financial size of actions foreseen in each priority axis
- the coherence with the funding priorities as in the EC Country Position Paper and in the EC Indicative Strategy Papers
- the strategic choices of the Programme stakeholders
- the inputs provided by relevant partners within consultations (cf. section 5.7).

Additionally, not less than 50% of total amount of the financial resources shall be reserved for thematic calls and strategic projects.

Priority Axis 1. Strengthening the cross-border cooperation and competitiveness of SMEs.

Innovation and competitiveness is highlighted in the strategy UE 2020. It is a major challenge in the Programme Countries facing international competition, and contributes to overcome the economic crisis.

A budget of EUR 18.541.511 is allocated to priority 1, representing the 20% of the overall budget of the Programme. The financial allocation is in line with the emphasis given to competitiveness, innovation, technology transfer and entrepreneurship within the funding priorities defined in the EC Country Position Papers of all Countries of the cooperation area – especially with regard to the need of setting up a favorable environment for innovation-driven business based on knowledge and skills, explicitly recognized as priorities for CBC regions.

Priority Axis 2. Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness.

The tourism sector, as driver of a smart and sustainable economic development therefore, offers substantial opportunities in terms of economic growth and employment.

A budget of EUR 25.958.115 is allocated to priority 2, representing the 28% of the overall budget of the programme. This financial allocation reflects the need to valorize cultural and natural heritage and the needs for planning instruments for the smart and sustainable cultural and natural heritage management, along with the shortage of knowledge, experience and skills in destination management and marketing, the need to create differentiated and innovative tourism products and services.

The comparably higher allocation is justified by the fact that actions - ranging from natural and

cultural heritage protection, management and valorization to promotion of cross-border cooperation platforms and networks on cultural and creative industries, tackle a wide array of challenges and needs affecting all regions of the programme area.

The financial allocation reflects several funding priorities defined in the EC Country Position Papers of all participating Countries of the cooperation area; additionally, it is aligned with the high interest shown by relevant partners in the consultation process, where this priority acknowledged the first position by almost all categories of respondents.

Priority Axis 3. Environment protection, risk management and low carbon strategy

The issues of this priority are perceived as one of the key challenges of the coming decade at European, but also at global level.

A budget of EUR 23.176.889 is allocated to priority 3, representing the 25% of the overall budget of the programme. This financial allocation reflects the needs to increase regional capacities for improving water and risk prevention management and for improving energy efficiency and renewable energy usage in public infrastructure for improved planning of territorially based energy strategies.

The financial allocation is aligned with funding priorities defined in the EC Country Position Papers of all participating Countries of the cooperation area, with regard especially to water and risk prevention management and to energy efficiency also contributing to climate change mitigation.

Priority Axis 4. Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures.

The relevance of an appropriate integrated transport policy as precondition for economic and social development is stressed in EUSAIR as well in the South East Europe 2020 Strategy - SEE 2020.

A budget of EUR 15.760.274 is allocated to priority 4, representing the 17% of the overall budget of the programme.

The comparably lower allocation is justified by the fact that the development of transport system and hard infrastructures is funded by other instruments, therefore the financial allocation is in line with the EC Country Position Papers of all participating Countries of the cooperation area and reflects the needs to increase capacities for planning of regional transport systems as well as for making transport modes more sustainable, safe and energy efficient along coordinated multi-modal transport chains.

Priority Axis 5. Technical Assistance.

A sound management of the cooperation programme is the pre-condition for its effective implementation. The programme is a new CBC programme which nonetheless can refer to a wide range of experiences and lessons learnt from transnational and cross-border cooperation programmes implemented in the EU programming period 2007-2013 and, respectively, the Med, the South East Europe and the IPA CBC Adriatic programmes. Accordingly, the change driven by the Programme mainly refers to further improving and streamlining administrative procedures for a faster and more

efficient implementation of the programme and an improvement of the support to beneficiaries so that they can apply in better conditions and submit more targeted and better quality projects.

A budget of EUR 9.270.756 is allocated to priority 5 representing the 10% of the overall budget of the programme

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

Priority axis	Union support (€)	Proportion (%) of the total Union support for the cooperation programme	Thematic priorities	Result indicators corresponding to the thematic priority
PA 1	15,760,284.00	20.00%	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.	1.1
PA 2	22,064,398.00	28.00%	d - Encouraging tourism and cultural and natural heritage.	2.1, 2.2.a, 2.2.b
PA 3	19,700,356.00	25.00%	b - Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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.	3.1, 3.2
PA 4	13,396,242.00	17.00%	c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.	4.1
PA 5	7,880,142.00	10.00%		

SECTION 2. PRIORITY AXES

(Reference: points (b) and (c) of Article 8(2) of Regulation (EU) No 1299/2013)

2.1 Description of the priority axes other than technical assistance

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

2.1.1 Priority axis - PA 1

ID of the priority axis	PA 1
Title of the priority axis	Strengthening the cross-border cooperation and competitiveness of SMEs

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

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

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	Not applicable

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	g
Title of the thematic priority	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.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
SO	SO 1.1: Enhance the framework	The Programme Area lags behind the European economy in terms of economic development and obviously

ID	Title	The results that the partner States seeks to achieve with union support
	conditions for the development of SME's cross-border market.	<p>necessitates measures of support; it presents framework conditions to be improved through the Intervention. The main needs to be overcome are represented by:</p> <ul style="list-style-type: none"> • insufficient cooperation among SME's, business support organization and research centers ; • weak competitiveness of SME's. <p>These conditions are made more critical by the economic and debt crisis affecting the economy of the area, with different impacts due to the trend of the crisis.</p> <p>For addressing these issues and achieving the overall goal of the SO <i>“Enhancing the framework conditions for the development of SME's cross-border market”</i> , it's necessary to improve some key factors of the general framework for doing business, by boosting the effectiveness, coherence, coordination and consistency of common policies/tools, promoting the competitiveness, sustainability and growth of the SME's of the Programme area. In particular, cross-border cooperation can bring added value increasing the networking of the innovation community (clustering and networking); exploiting the potential for “Blue Economy” development; boosting opportunities for cross-border cooperation in key specialization sectors such as sustainable agriculture, food processing, green economy and social innovations.</p> <p>The implementation of the actions requires a common effort from Public authorities and enterprises. Through the supported actions, the Programme will contribute to strength the business environment for the cross-border cooperation and competitiveness. Considering the first cross cutting priority mentioned here above, actions shall aim at strengthening and empowering innovation clusters and networks, stressing their cross-border dimension. Furthermore, actions will be addressed to increase cooperation between actors of the innovation systems, especially between business and research, in order to improve access to research results for enterprises, notably SME's, thus stimulating further investment in innovation (connection between clusters, between research and SMEs, between research and public administration, between SMEs and clusters; support to living labs; involvement of end users - businesses or consumers). Through the implementation of the SO the Programme will also contribute to pave the way for the exploitation of opportunities for smart specialisation and for promoting opportunities in order to develop synergies with the Framework Programme Horizon 2020 (preparing potential Horizon 2020 stakeholders in the programme area for its competitive calls as well as better exploiting research results in an interregional context). The main expected results are:</p> <ol style="list-style-type: none"> a. a)Enhanced SME's cooperation and competitiveness through the better interaction among the business and research actors; b. b)Strengthened culture of entrepreneurship and entrepreneurial mind sets, skills and attitudes. Strengthened and empowered innovation clusters and networks, in particular in their cross-border

ID	Title	The results that the partner States seeks to achieve with union support
		<p>dimension, mainly in the field of blue economy, sustainable agriculture, food processing, green economy and social innovations (including health sector).</p> <p>This SO is coherent with the Pillar 1 “Blue Growth” of the EUSAIR Action Plan and the cross cutting issues “Capacity building” and “Research innovation and SME’s development”.</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. 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

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

The following list of possible actions is only an indicative list and can be completed with other relevant actions contributing to the specific objective's goals.

1. Setting up networking actions of business support organizations (such as Chambers of Commerce, Districts, Trade Unions, internationalization agencies) promoting cooperation/cross border business practices (exchange of experiences) and pilot initiatives (new services) to support SMEs internationalization in the area (for example: participation in fairs, business scouting, BtoB, technology brokerage, capacity building).
1. Setting up actions for improving access to research results and technology transfer for SMEs in some key areas of Programme intervention.
2. Promoting innovative start-up, clusters and networks
3. Developing and testing capacity building schemes benefiting the SMEs competitiveness
4. Promoting the development of innovative approaches and financing tools to strengthen competences and encourage entrepreneurship for innovation including social innovation (as e.g. social inclusion, business angels networks, crowdfunding, open-innovation and start-ups lab), and improvement of health-care system (development of new services, e-health).

Indicative types of beneficiaries: Public bodies, Bodies governed by public law, local, regional and national authorities, Chambers of Commerce, Productive Districts, Trade Unions, Universities and research centres, internationalization agencies, business support institutions, technology Parks centres of R&D excellence, innovation agencies, business incubators, cluster management bodies, productive / technological districts, Local and Regional Development Agencies, civil society organisations.

Target groups: SMEs Stakeholders concerned by incubators strategy: national, regional, local, urban and other public authorities, economic and social partners, Research and innovation actors, Financial institutions , business support organizations.

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

The following guiding principles will be observed when selecting project applications:

Strategic coherence: coherence and contribution of each project application to the relevant Programme's specific objective, while addressing in a coherent way the achievement of the Programme's specific results envisaged. Furthermore, the CBC added value of the operation, its territorial dimension and the relevance of the partnership will also be assessed in this context.

Operational quality: design of the project application in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency, communication of the project and its specific results, potential for uptake and embedment into operative procedures of the partners involved. The output and result-oriented approach that places much emphasis on the development of concrete, relevant and visible outputs and results will be a must. The details will be provided in the terms of references of the calls for proposals

Compliance to the Cross-cutting thematic Priorities: a specific section of the quality assessment grid will check the coherence of the project proposals with the following thematic Priorities:

- f) promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities;
- h) Strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development.

Compliance to the horizontal principles: coherence and contribution of each project application to the Programme's horizontal principles (in accordance to the Articles 5, 7, 8, of the EU Regulation 1303/2013, the Article 8 (7) of EU Regulation 1299/2013, as well as the SECTION 6 of the present documentpartnership and multi-level governance, sustainable development, promotion of equality between men and women and non-discrimination, [A1]) and the demonstration of their integration and advancement within the project proposal intervention logic will be assessed too.

Compliance of projects funding with EU State aid legislation and public procurement regulations will be ensured; in particular (a) Directives 2004/18/EC and 2004/17/EC, (b) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (c) Directives 89/665/EEC and 92/13/EEC and (d) the general public procurement principles derived from the Treaty on the Functioning of the EU.

The detailed assessment criteria will be adopted by the Monitoring Committee and will be made available to potential applicants in the calls for

proposals' documentation, which will be prepared and disseminated by the Managing Authority and the Joint Secretariat.

The implementation of the Programme foresees also strategic / thematic projects aimed to better focus specific Programme goals and addressed to provide concrete solutions to particular needs, as arisen in the Territorial Analysis.

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.6 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 IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		SO - SO 1.1: Enhance the framework conditions for the development of SME's cross-border market.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.1	Common interventions aimed to improve the cross border framework	Quantitative	8.00	2015	15.00	survey	2018 2020 2023

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID of the 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.			
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting
1.1.2	Number of business and research institutions involved/offering nonfinancial support	No.	11.00	Progress reports	2018 2020 2023
CO01	Productive investment: Number of enterprises receiving support	Enterprises	11.00	Progress report	2018 2020 2023
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	11.00	Progress reports	2018 2020 2023

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 1 - Strengthening the cross-border cooperation and competitiveness of SMEs					
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator
CO04	O	Productive investment: Number of enterprises receiving non-financial support	Enterprises	0	11.00	Monitoring system	For PA 1, in order to take the cooperation aspect into account, i.e. that project activities take place in at least 2 cooperating countries, at least 2 enterprises per project are foreseen. The PA 1 has two output indicators, for which we estimate an equal share (50%) of projects shall contribute to. Projects shall select at least one out of two programme indicators for this priority axis and explain how their activities will contribute to these. SEE ANNEX
1.1.2	O	Number of business and research institutions involved/offering nonfinancial support	No.	0	11.00	Monitoring System	For PA 1, in order to take the cooperation aspect into account, i.e. that project activities take place in at least 2 cooperating countries, at least 2 enterprises per project are foreseen. The PA 1 has two output indicators, for which we estimate an equal share (50%) of projects shall contribute to. SEE ANNEX METHODOLOGY FOR PERFORMANCE FRAMEWORK
Fin	O	Financial indicator	EUR	65,416.00	18,541,511.00	monitoring system	The financial indicator relates to the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by it, in line with Article 126 of the CPR. N+3 targets are used, related to the P.A. total amount, incl. national co-financing and 1/3 of the pre-financing deducted from 2018 target. 2018 target IPA + national co-fin. = 65.416 (IPA = 55.604) 2023 target IPA + national co-fin. = 18.541.511 (IPA = 15.760.284)
KIS1	I	Projects contracted for strengthening the cross-border cooperation and competitiveness of SMEs	Number	6	11.00	Monitoring system	y the end of 2018 no operation will be completed. Nevertheless, the programme is progressing and the first call for standard project proposals was launched beginning of 2017, for a project development and assessment to be finalized early autumn 2017. On this basis, the first call projects are expected to be contracted at the end of 2017, therefore their activities will start in the first 6 months of 2018 for a first interim report to the programme expected in the second half of 2018.

Additional qualitative information on the establishment of the performance framework (optional)

SEE ANNEX METHODOLOGY FOR THE ORIGINAL TABLES, WHICH CANNOT BE COPIED INTO THE SFC2014

The Interreg IPA CBC Italy-Albania-Montenegro Cooperation Programme intends to integrate the performance framework into the programme document already adopted.

In order to do this, a cautious methodology is necessary, as to take into account

- the existing intervention logic, resulting from the programming process;
- the outcomes of the ex-ante evaluation, in particular as for the outputs indicators of the programme;
- the fact that despite the long history of cooperation in different programmes, the two Italian regions Puglia and Molise, as well as the countries Albania and Montenegro are cooperating under a joint Interreg IPA CBC programme for the first time in this setting;
- the current stage of the programme implementation and the on-going call for project proposals.

The programme budget per priority axis is as follows:

SEE TABLE IN ANNEX

Estimation of the number of projects to be expected for the whole programming period

The average projects size of 2.875.000 EUR is estimated both on the basis of the closest predecessor programme IPA Adriatic 2007-2013, which had an average project size of 2.519.102 EUR, as well as on the project selection criteria of the programme, which set a range for minimum and maximum project size for different typologies of projects. It has also been considered that according to the Cooperation Programme at least 50% of the budget shall be devoted to strategic/thematic projects.

Therefore, following project sizes have been estimated:

Average size for standard projects (std) PA 1-3 = 1.000.000,00

Average size for strategic/thematic projects (STR) PA 1-3 = 4.000.000,00

Average size for standard projects (std) PA 4= 1.500.000,00

Average size for strategic/thematic projects (STR) PA 4= 5.000.000,00

following no. of projects can be expected for the whole programming period:

SEE TABLE IN ANNEX

This indicative estimation is a realistic projection deriving from the available budget, but it may change during programme implementation according to external unforeseen circumstances.

Explanation of the estimations for the outputs indicators linked to the total no. of projects expected

In order to establish the numbers of projects expected by the Interreg IPA CBC Italy-Albania-Montenegro programme, the experience from the closest predecessor programme, the Adriatic IPA CBC 2007-2013 was used, taking a due account of the different geographic, thematic and financial features between the two programmes as well.

The numbers of projects involving partners from Puglia, Molise, Albania and Montenegro in the Adriatic IPA CBC 2007-2013 were counted and weighted (i.e. 0 for projects involving only one of the current countries/territories, 0,5 involving 2, 1 for projects involving all 3 countries).

The result was compared with our own estimation of the average size of different types of projects, steered also by the programme selection criteria. See attached table (annex 1) for the calculation:

Total no. of projects approved in IPA Adriatic 2007-2013 involving Puglia, Molise, Albania and Montenegro

Total no. of projects estimated for Interreg IPA CBC IT-AL-ME 2014-2020

30

49

Estimation of the projects to be expected for the first call for standard projects

According to the budget allocated for the first call for standard projects, as well as for the previous estimation of project size, following no. of projects can be expected for the first call:

SEE TABLE IN ANNEX

Financial indicator

The compulsory financial indicator relates to the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by it, in line with Article 126 of the CPR.

The de-commitment targets are used, distributed per priority axis, as set in the programme tables, but for the purpose of this exercise, for 2018 the pre-financing was not taken into account.

SEE TABLE IN ANNEX

See attached table (annex 2) for the precise calculation.

2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

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

Table 6: Dimension 1 Intervention field

Priority axis	PA 1 - Strengthening the cross-border cooperation and competitiveness of SMEs
Dimension	€ Amount
062 - Technology transfer and university-enterprise cooperation primarily benefiting SMEs	1,576,028.40
063 - Cluster support and business networks primarily benefiting SMEs	4,728,085.20
064 - Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation)	1,576,028.40
067 - SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	4,728,085.20
073 - Support to social enterprises (SMEs)	3,152,056.80

Table 7: Dimension 2 Form of finance

Priority axis	PA 1 - Strengthening the cross-border cooperation and competitiveness of SMEs
Dimension	€ Amount
01 - Non-repayable grant	15,760,284.00

Table 8: Dimension 3 Territory type

Priority axis	PA 1 - Strengthening the cross-border cooperation and competitiveness of SMEs
Dimension	€ Amount
01 - Large Urban areas (densely populated >50 000 population)	12,608,227.20
02 - Small Urban areas (intermediate density >5 000 population)	3,152,056.80

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 1 - Strengthening the cross-border cooperation and competitiveness of SMEs
Dimension	€ Amount
07 - Not applicable	15,760,284.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 1 - Strengthening the cross-border cooperation and competitiveness of SMEs
There is no action limited to improving the implementation capacity of one specific Priority Axis. Actions of technical assistance concern all Priority Axes and are developed in the specific section	

2.1.1 Priority axis - PA 2

ID of the priority axis	PA 2
Title of the priority axis	Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

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

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	Not applicable

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	d
Title of the thematic priority	Encouraging tourism and cultural and natural heritage.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
2.1.	Boost attractiveness of natural and cultural assets to improve a smart and sustainable economic development	<p>The tourism sector, as driver of a smart and sustainable economic development therefore, offers substantial opportunities in terms of economic growth and employment.</p> <p>The smart and sustainable economic development of the area is particularly compromised by the lack of planning instruments for the smart and sustainable cultural and natural heritage, along with the shortage of knowledge, experience and skills in destination management and marketing, the lack of differentiated and innovative tourism products and services.</p> <p>However, the Programme Area is a culturally diverse European region that has unique cultural and historical heritage, a wide set of valuable natural areas in terms of landscape and rich biodiversity, including large areas of forests, agricultural land, mountainous areas, watercourses and coastlines and</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>old culinary traditions offering a variety of eno-gastronomic and folk craft products.</p> <p>Enhancement of attractiveness of the area is intended as a complex and integrated process of smart and sustainable requalification of natural and cultural heritage.</p> <p>The SO is aimed to valorise existing natural and cultural assets in a systematic and comprehensive and wide way, affecting protection and quality of the environment as basis of any kind of touristic valorisation; initiatives shall include homogenisation of the cross border policy environment, the qualification of the managerial behaviour of operators, the identification and adoption of quality standards for structures and services, up to the implementation of small scale infrastructural interventions, the joint promotions of common branded and networked heritage, the promotion of lesser known destinations. The application of an integrated approach for both natural and cultural heritage should be strictly linked to its economic added value.</p> <p>The main expected results are:</p> <ul style="list-style-type: none"> a) Better cross-border smart and sustainable tourism management ; b) Improved products and services for cross-border natural and cultural assets; c) environmental protection of natural habitats. <p>The criteria for the project results sustainability, according to the specific SOs' goals, will be stresses in the calls for proposals. Furthermore, during the selection procedure, the evaluation grid will take in due account the criteria to ensure the sustainability of the project proposal results. The MA will follow the implementation of the plans though constant monitoring activities, based also on qualitative methods, foreseeing corrective measures where beneficiaries shouldn't be able to guarantee plan's sustainability.</p> <p>Additionally, the MA will promote coordination (also trough meetings, exchange of experiences) among relevant Authorities and bodies involved in the preparation of the plans in order to create a favourable environment for defining conditions for the elaboration and the possible implementation of the plans.</p> <p>This SO is coherent with the Pillar 4 of the EUSAIR Action Plan, mainly in terms of support to: a)</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>common tourist / territorial brand building; b) sustainable and accessible tourist offer; c) thematic tourist routes; d) foster natural heritage; e) upgrade of tourist products. Furthermore, the SO is aligned to the EUSAIR Cross Cutting issue "Capacity building"</p>
2.2.	<p>Increase the cooperation of the relevant key actors of the area for the delivery of innovative cultural and creative products</p>	<p>To take up the challenge, as ascertained by the Territorial Analysis, and to attain the Specific Objective addressed to <i>deliver innovative cultural and creative products</i>, the Programme intervention is, mainly, addressed to increase cooperation for the development of high added value cross-border cultural/creative products and services.</p> <p>Cultural heritage in all its variety plays an important role in stimulating business and creating income. Cultural resources comprise the tangible and intangible cultural heritage, encompassing current culture, including progressive, innovative and urban culture. These resources can be valorized among others in cultural and creative industries that, in the recent years, are driving the new economy. Based on ideas rather than physical capital, the creative economy straddles economic, political, social, cultural and technological issues and is at the crossroads of the arts, business and technology.</p> <p>Many stakeholders are involved in this process: the public sector which includes cultural institutions, e.g. museums, public service broadcasting organizations, etc.; the private sector which covers a wide range of operations in all fields of cultural production and distribution; the non-profit sector including many theatre and dance companies, festivals, orchestras. The implementation of the Programme shall support networking of creative industries actors for exchanging ideas, know-how and experience with the aim of sharing the creative potential across the entire region. The related actions would identify issues of common interest and concentrate on knowledge, experience, information and sharing of excellence in support of artistic entrepreneurship, creative start-ups and contemporary art festivals.</p> <p>The main expected result is:</p> <p style="padding-left: 40px;">a. Increased structured cooperation and networking in the cultural and creative sectors.</p> <p>The criteria for the project results sustainability, according to the specific SOs' goals, will be stresses in the calls for proposals. Furthermore, during the selection procedure, the evaluation grid will take in due account the criteria to ensure the sustainability of the project proposal results. The MA will follow the viability of the networks through constant monitoring activities, based also on qualitative methods, foreseeing corrective measures where beneficiaries shouldn't be able to guarantee network's</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>sustainability.</p> <p>This SO is coherent with the Pillar 4 of the EUSAIR Action Plan, mainly in terms of support to: a) foster cultural heritage, creative cross border region. Furthermore, the SO is aligned to the EUSAIR Cross Cutting issue “Capacity building”</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. 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

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

S.O. 2.1

The following list of possible actions in only an indicative list and can be completed with other relevant actions contributing to the specific objective's goals.

1. Developing common models and plans for the smart and sustainable tourism management, stimulating operators' public administrators and civil society stakeholders competences and skills, also favouring a bottom up approach.
2. Development of distinct and diversified tourism products and service provided to specific target groups (e.g. disabled people, young and elder tourists, etc.) and sectors (eno-gastronomic, sport, religious tourism, etc.) even through small scale investments and demonstration projects
3. Promoting actions, impacting also on protection and quality of the environment, for the valorisation of lesser known destinations, protected areas (parks, Natura 2000 sites) and cultural assets of the Programme territory (common branding, promotional materials, other ITC promotional tools, such as interactive maps, apps, advisory systems, virtual tours, webportal etc.)

Indicative types of beneficiaries: Public bodies, Bodies governed by public law local, regional and national authorities and related agencies, regional development agencies, local associations, education and training organizations as well as universities and research institutes, local and national tourism organizations, tourism operator associations of Public and private stakeholders dealing with tourist, natural and cultural sectors, civil society organisations.

Target groups: cultural, tourist and natural operators, SMEs, tourists and citizens / end users.

S.O.2.2

The following list of possible actions in only an indicative list and can be completed with other relevant actions contributing to the specific objective's goals:

1. Setting up cross-border cooperation platforms (South Adriatic creativity cooperation platforms) and networks on cultural and creative industries, also fostering the public – private partnership.

1. Realizing creative productions to enhance the cultural heritage of the area.

Indicative types of beneficiaries: Public bodies, Bodies governed by public law; local, regional and national public authorities and related agencies, regional development agencies, local associations, education and training organizations as well as universities and research institutes, productive/technological districts, local and national tourism organization, tourism operator associations, civil society organisations, stakeholders dealing with cultural and creative activities, business support institutions

Target groups: Cultural, tourist and natural operators; Tourists and citizens / end users. SME/creative industries

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

The following guiding principles will be observed when selecting project applications:

Strategic coherence: coherence and contribution of each project application to the relevant Programme's specific objective, while addressing in a coherent way the achievement of the Programme's specific results envisaged. Furthermore, the CBC added value of the operation, its territorial dimension and the relevance of the partnership will also be assessed in this context.

Operational quality: design of the project application in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency, communication of the project and its specific results, potential for uptake and embedment into operative procedures of the partners involved. The output and result-oriented approach that places much emphasis on the development of concrete, relevant and visible outputs and results will be a must.

Compliance to the Cross-cutting thematic Priorities: a specific section of the quality assessment grid will check the coherence of the project proposals with the following thematic Priorities:

- f) promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities;
- h) Strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development.

Compliance to the horizontal principles: coherence and contribution of each project application to the Programme's horizontal principles (in accordance to the Articles 5, 7, 8, of the EU Regulation 1303/2013, the Article 8 (7) of EU Regulation 1299/2013, as well as the SECTION 6 of the present documentsustainable development and climate change, equality etc)[A1] and the demonstration of their integration and advancement within the project proposal intervention logic.

Compliance of projects funding with EU State aid legislation and public procurement regulations will be ensured; in particular (a) Directives 2004/18/EC and 2004/17/EC, (b) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (c) Directives 89/665/EEC and 92/13/EEC and (d) the general public procurement principles derived from the Treaty on the Functioning of the EU.

The detailed assessment criteria will be adopted by the Monitoring Committee and will be made available to potential applicants in the calls for

proposals' documentation, which will be prepared and disseminated by the Managing Authority and the Joint Secretariat.

The implementation of the Programme foresees also strategic / thematic projects aimed to better focus specific Programme goals and addressed to provide concrete solutions to particular needs, as arisen in the Territorial Analysis.

IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer.

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.6 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 IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		2.1. - Boost attractiveness of natural and cultural assets to improve a smart and sustainable economic development					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.1	Common action Plans for the smart management of tourist destinations to be adopted by the public authorities of the Programme area	Number	0.00	2015	4.00	survey	2018 2020 2023

Specific objective		2.2. - Increase the cooperation of the relevant key actors of the area for the delivery of innovative cultural and creative products					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.2.a	cross border networks in the cultural and creative fields	Number	2.00	2015	5.00	survey	2018 2020 2023
2.2.b	cross-border agreements in the cultural and creative fields.	number	1.00	2015	3.00	survey	2018 2020 2023

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID of the thematic priority		d - Encouraging tourism and cultural and natural heritage.			
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting
2.1.1	Number of new products, services and pilot or demonstration projects realized	Number	4.00	Monitoring System	2018 2020 2023
2.1.2	Number of valorized sites	Number	4.00	Monitoring system	2018 2020 2023
2.2.2	Number of cross-border creative platforms created	Number	4.00	Monitoring System	2018 2020 2023
CO01	Productive investment: Number of enterprises receiving support	Enterprises	4.00	Progress report	2018 2020 2023
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	4.00	Monitoring system	2018 2020 2023

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 2 - Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness					
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator
CO04	O	Productive investment: Number of enterprises receiving non-financial support	Enterprises	0	4.00	monitoring system	PA 2 has four output indicators, two per specific objective, for which we can estimate an equal share of projects (25% i.e. total no. of projects expected/4) shall contribute to. Projects shall select at least one out of two programme indicators for the specific objective and explain how they will contribute to these.
2.1.1	O	Number of new products, services and pilot or demonstration projects realized	Number	0	4.00	monitoring system	PA 2 has four output indicators, two per specific objective, for which we can estimate an equal share of projects shall contribute to achieving the total target (25% i.e. total no. of projects expected/4). Projects shall select at least one out of two programme indicators for the specific objective and explain how their activities will contribute to these.
2.1.2	O	Number of valorized sites	Number	0	4.00	monitoring system	PA 2 has four output indicators, two per specific objective, for which we can estimate an equal share of projects (25% i.e. total no. of projects expected/4) shall contribute to. Projects shall select at least one out of two programme indicators for the specific objective and explain how they will contribute to these.
2.2.2	O	Number of cross-border creative platforms created	Number	0	4.00	monitoring system	PA 2 has four output indicators, two per specific objective, for which we can estimate an equal share of projects (25% i.e. total no. of projects expected/4) shall contribute to. Projects shall select at least one out of two programme indicators for the specific objective and explain how they will contribute to these.
Fin	O	Financial indicator	EUR	91,583.00	25,958,115.00	monitoring system	The financial indicator relates to the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by it, in line with Article 126 of the CPR. N+3 targets are used, related to the P.A. total amount, incl. national co-financing and 1/3 of the pre-financing deducted from 2018 target. 2018 target IPA + nat.co-fin. = 91.583 (IPA = 77.845), 2023 target IPA + nat.co-fin. = 25.958.115 (IPA = 22.064.398)
KIS2	I	Projects contracted for smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness	Number	8	16.00	Monitoring system	By the end of 2018 no operation will be completed. Nevertheless, the programme is progressing and the first call for standard project proposals was launched beginning of 2017, for a project development and assessment to be finalized early autumn 2017. On this basis, the first call projects are expected to be contracted at the end of 2017, therefore their activities will start in the first 6 months of 2018 for a first interim report to the programme expected in the second half of 2018.

Additional qualitative information on the establishment of the performance framework (optional)

SEE METHODOLOGY ENCLOSED

2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

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

Table 6: Dimension 1 Intervention field

Priority axis	PA 2 - Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness
Dimension	€ Amount
077 - Development and promotion of cultural and creative services in or for SMEs	6,619,319.40
091 - Development and promotion of the tourism potential of natural areas	4,412,879.60
094 - Protection, development and promotion of public cultural and heritage assets	4,412,879.60
095 - Development and promotion of public cultural and heritage services	6,619,319.40

Table 7: Dimension 2 Form of finance

Priority axis	PA 2 - Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness
Dimension	€ Amount
01 - Non-repayable grant	22,064,398.00

Table 8: Dimension 3 Territory type

Priority axis	PA 2 - Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness
Dimension	€ Amount
01 - Large Urban areas (densely populated >50 000 population)	5,516,099.50
02 - Small Urban areas (intermediate density >5 000 population)	6,619,319.40
03 - Rural areas (thinly populated)	9,928,979.10

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 2 - Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness
Dimension	€ Amount
07 - Not applicable	22,064,398.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 2 - Smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness
There is no action limited to improving the implementation capacity of one specific Priority Axis. Actions of technical assistance concern all Priority Axes and are developed in the specific section	

2.1.1 Priority axis - PA 3

ID of the priority axis	PA 3
Title of the priority axis	Environment protection, risk management and low carbon strategy

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

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

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	not applicable

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	b
Title of the thematic priority	Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
3.1	Increase cross-border cooperation strategies on water landscapes	The Programme Area is characterised by a lack of integrated plans for the optimisation of the water cycle management and it suffers with wastages and a high consumption levels, either when water is used for civil, industrial or agriculture scopes. Additionally, with reference to the water cycle management, the area is missing common models, developed according to EU standards, for the safeguarding and the exploitation of local biodiversity and marine and maritime landscapes, along with inland water landscapes. Pervasiveness of water requires policies inspired by an integrated, multi-sector approach, strongly anchored to the specificity of local territories and landscapes; this approach is based on the improvement of sustainable, integrated, place-sensitive water cycle management and prevention /

ID	Title	The results that the partner States seeks to achieve with union support
		<p>reduction of natural risks. The SO aims to promote a renewal integrated local water culture, pursuing coordination and integration of all sectors and stakeholders involved in water management from different perspectives, coherently with the provisions of national/regional strategic water management documents adopted under Directive 2000/60/EC, the Water Framework Directive) and under Directive 2007/60/EC- flood risk management plan. The participating Countries shall ensure the coherence of the cooperation projects with the above mentioned documents; additionally, the IPA partners might be invited to be actively involved into international processes linked to the efficient protection of river basins. Actually, the SO aims at strengthening innovative cooperation practices and capacity. According to the Working Document of the Commission for the Environment, Climate Change and Energy on the role of regional and local authorities in promoting sustainable water management, the priorities of intervention should be: - reducing wastage and consumption; - maximizing water recovery in terms of quality, quantity and energy; - safeguarding and protecting all existing water reserves.</p> <p>IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer.</p>
3.2	Promoting innovative practices and tools to reduce carbon emission and to improve energy efficiency in public sector	<p>The Programme area has still untapped potential to reap economic advantages through further utilization of renewable energy from natural resources (e.g. wind, water, solar/geothermal, biomass etc). At the same time, the analysis of the situation at level of EU territories has proved that exploiting the natural resources for the production of energy might endanger natural landscapes. In this sense, an important need for policies and practices in the regulative framework, also for meeting energy efficiency goals, is detected. Energy policy is perceived as one of the key challenges of the coming decade at European, but also at global level. In order to ensure the achievement of the EU 2020 goals, Member States need to invest in measures which support the shift towards a resource-efficient and low-carbon European economy that is efficient in the way it uses all resources, to decouple economic growth from resource and energy use, improve air quality (reduce CO2 PM, NO2 emissions and ozone concentration) according to Air Quality Plans developed under Directive 2008/50/EC in Italy or equivalent strategic national plans in Albania e Montenegro, enhance competitiveness and promote greater energy security. Since a substantial part of energy used in cities is related to buildings, EU legislation has put a specific focus on energy self-sufficiency of (public) buildings and the maximisation of heat-energy savings. The high level of experience and expertise on specific renewable energy production and energy efficiency is already available in some regions of the Programme area. Cooperation and knowledge exchange, in particular, in the regulatory framework, can facilitate reaching EU energy strategy goals throughout the Programme Area. It can also help to take stock of favourable location factors such as geothermal sources, wind</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>conditions, solar radiation and regional biomass resources, in order to diversify renewably energy resource potential and implementation. Most of the regions of the Programme area show high energy consumption and a low degree of energy efficiency of buildings and infrastructure which are the main contributors to greenhouse gas emissions. The efficient use of energy can make an important contribution to achieving a low-carbon economy, to combating climate change and will imply in many cases positive effects on air quality. Increasing energy efficiency and renewable energy usage mainly in public infrastructure (i.e. infrastructure owned by the public and/or for public use, including public buildings) is a priority. Even if some regions of the Programme area are quite advanced in terms of energy saving technologies, there is the need for increasing the overall capacity of the public sector for implementing measures to improve air quality, mainly affecting emissions of public infrastructure. In particular, public infrastructure owners and operators often lack the necessary expertise (i.e. methods and technologies) for reducing energy consumption and/or replacing the consumption of fossil fuels with renewable energy sources.</p> <p>IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer.</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. 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

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

S.O. 3.1.

The following list of possible actions is only an indicative list and can be completed with other relevant actions contributing to the specific objective's goals:

- Strengthening of technical and scientific capacities, establishment of cross-border platforms and innovative solutions for research, observation and monitoring and development of common knowledge bases and information gathering tools to support the integrated environmental and landscape planning activities, according to European directives and self-sustainable development methods and criteria.
- Developing a Web-GIS Observatory Network to gather and process geographical and statistical data related to water, coastal and marine ecosystems, coastal erosion risks and hydrogeological instability, along with a cross-border development of a digital inventory of karst cavities and other karst phenomena related to aquifer recharge processes; recognition of specific risk mitigation and prevention measures.
- Developing joint management plans for cross-border habitats and ecosystems.
- Planning of interventions completing NATURA 2000 network under Birds and Habitats Directives; designating further protected areas to form a coherent and representative network of water, coastal and marine protected areas; ensuring their joint or coordinated management, also in relation to maritime spatial planning and integrated coastal management.
- Realising interventions for raising awareness among farmers of the negative impacts of excessive nitrate use on water cycle and promotion of environmentally friendly farming practices and innovative recovery of traditional local methods and techniques of dryland farming.

Indicative types of beneficiaries:

Public bodies, Bodies governed by public law local, research institutes, national, regional and local Authorities; public stakeholders dealing with environmental management, water management and risk prevention, agencies for environment protection, civil society organisations.

Target groups:

Decision makers, environment department, economic development departments of local, regional and national authorities, Tourist operators, Environmental agencies, Protected areas management organisations, citizens / consumers

S.O. 3.2

The following list of possible actions is only an indicative list and can be completed with other relevant actions contributing to the specific objective's goals:

1. cross-border exchange of regional/national good practices in the regulative framework for the RES and RUE sector for developing common models for energy planning in order to increase the endogenous renewable energy potentials and to meet the energy efficiency goals.
2. Identification and adoption of European standards (such as Covenant of Mayors initiatives) for public administrations and set up of an energy sustainable mind set at local communities level.
3. Development of local sustainable energy action plans (also promoting citizens/stakeholders participation).
4. Realization of feasibility studies, identification of financial opportunities and implementation of pilot initiatives for meeting the energy efficiency goals of public buildings (or other initiatives).

Indicative types of beneficiaries:

Public bodies, Bodies governed by public law , local, regional and national authorities, Universities and research institutes, national and regional environmental authorities; regional development agencies; representatives of private sector, other public stakeholders, productive/ technological districts, civil society organizations, local associations, stakeholders dealing with energy sector and low carbon activities.

Target groups: energy providers and distributions networks, environmental national and regional authorities, eco-innovative SME's, local communities, water providers and distributions networks

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

The following guiding principles will be observed when selecting project applications:

Strategic coherence: coherence and contribution of each project application to the relevant Programme's specific objective, while addressing in a coherent way the achievement of the Programme's specific results envisaged. Furthermore, the CBC added value of the operation, its territorial dimension and the relevance of the partnership will also be assessed in this context.

Operational quality: design of the project application in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency, communication of the project and its specific results, potential for uptake and embedment into operative procedures of the partners involved. The output and result-oriented approach that places much emphasis on the development of concrete, relevant and visible outputs and results will be a must.

Compliance to the Cross-cutting thematic Priorities: a specific section of the quality assessment grid will check the coherence of the project proposals with the following thematic Priorities:

- f) promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities;
- h) Strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development.

Compliance to the horizontal principles: coherence and contribution of each project application to the Programme's horizontal principles (in accordance to the Articles 5, 7, 8, of the EU Regulation 1303/2013, the Article 8 (7) of EU Regulation 1299/2013, as well as the SECTION 6 of the present documentpartnership and multi-level governance, sustainable development, promotion of equality between men and women and non-discrimination)) and the demonstration of their integration and advancement within the project proposal intervention logic.

Compliance of projects funding with EU State aid legislation and public procurement regulations will be ensured; in particular (a) Directives 2004/18/EC and 2004/17/EC, (b) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (c) Directives 89/665/EEC and 92/13/EEC and (d) the general public procurement principles derived from the Treaty on the Functioning of the EU.

The detailed assessment criteria will be adopted by the Monitoring Committee and will be made available to potential applicants in the calls for

proposals' documentation, which will be prepared and disseminated by the Managing Authority and the Joint Secretariat.

The implementation of the Programme foresees also strategic / thematic projects aimed to better focus specific Programme goals aimed and addressed to provide concrete solutions to particular needs, as arisen in the Territorial Analysis.

IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer.

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.6 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 IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		3.1 - Increase cross-border cooperation strategies on water landscapes					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.1	Common Plans enhancing and safeguarding water landscapes (including marine ones).	Number	3.00	2015	7.00	survey	2018 2020 2023

Specific objective		3.2 - Promoting innovative practices and tools to reduce carbon emission and to improve energy efficiency in public sector					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.2	Common plans for energy efficiency and sustainable energy production.	Number	1.00	2015	4.00	survey	2018 2020 2023

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID of the thematic priority		b - Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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.			
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting
3.1	Number of new products and services, pilot and demonstration projects realized	Number	15.00	monitoring system	2018 2020 2023
3.1.2	Number of users involved (in pilot or demonstration projects).	Number	15.00	monitoring system	2018 2020 2023

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 3 - Environment protection, risk management and low carbon strategy					
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator
3.1	O	Number of new products and services, pilot and demonstration projects realized	Number	0	15.00	Monitoring system	Priority axis 3 has 2 specific objectives and the same 2 output indicators for each specific objectives, for which we can estimate that all projects (100% i.e. total no. of projects) shall contribute to. Projects shall report on how many new products, services, pilot or demonstration products were produced in its activities. We foresee that at least one product per project was achieved
3.1.2	O	Number of users involved (in pilot or demonstration projects).	Number	0	15.00	monitoring system	Priority axis 3 has 2 specific objectives and the same 2 output indicators for each specific objectives, for which we can estimate that all projects (100% i.e. total no. of projects) shall contribute to. We foresee that the new products, services, pilot or demonstration products produced (see above indicator 3) also directly involve at least one final user, at least for the testing/starting phase of this product.
Fin	O	Financial indicator	EUR	81,770.00	23,176,889.00	Monitoring system	The financial indicator relates to the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by it, in line with Article 126 of the CPR. N+3 targets are used, related to the P.A. total amount, incl. national co-financing and 1/3 of the pre-financing deducted from 2018 target. 2018 target IPA + nat.co-fin. = 81.770 (IPA = 69.505), 2023 target IPA + nat.co-fin. = 23.176.889 (IPA = 19.700.356)
KIS3	I	Projects contracted for environment protection, risk management and low carbon strategy	Number	7	15.00	Monitoring system	By the end of 2018 no operation will be completed. Nevertheless, the programme is progressing and the first call for standard project proposals was launched beginning of 2017, for a project development and assessment to be finalized early autumn 2017.

Additional qualitative information on the establishment of the performance framework (optional)

PLEASE SEE METHODOLOGY IN ANNEX

2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

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

Table 6: Dimension 1 Intervention field

Priority axis	PA 3 - Environment protection, risk management and low carbon strategy
Dimension	€ Amount
012 - Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (Including storage, power to gas and renewable hydrogen infrastructure)	2,955,053.40
013 - Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	3,940,071.20
021 - Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	4,925,089.00
085 - Protection and enhancement of biodiversity, nature protection and green infrastructure	1,970,035.60
087 - Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	5,910,106.80

Table 7: Dimension 2 Form of finance

Priority axis	PA 3 - Environment protection, risk management and low carbon strategy
Dimension	€ Amount
01 - Non-repayable grant	19,700,356.00

Table 8: Dimension 3 Territory type

Priority axis	PA 3 - Environment protection, risk management and low carbon strategy
Dimension	€ Amount
01 - Large Urban areas (densely populated >50 000 population)	5,910,106.80
04 - Macro regional cooperation area	13,790,249.20

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 3 - Environment protection, risk management and low carbon strategy
Dimension	€ Amount
07 - Not applicable	19,700,356.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 3 - Environment protection, risk management and low carbon strategy
There is no action limited to improving the implementation capacity of one specific Priority Axis. Actions of technical assistance concern all Priority Axes and are developed in the specific section	

2.1.1 Priority axis - PA 4

ID of the priority axis	PA 4
Title of the priority axis	Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

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

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	Not applicable

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	c
Title of the thematic priority	Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
SO4.1	Increase coordination among relevant stakeholders to promote sustainable cross border connections in the Cooperation area	<p>The Programme Area is fragmented on two sides of the Adriatic-Ionian Sea and this specifies the pattern of spatial interactions. The high territorial fragmentation constrains the potential for integrated territorial development and accessibility. The road transport on land bound routes dominates in the Programme area. The connections to the hinterland are poor with many bottlenecks on multimodal connections, while coordination is also inadequate. Density of railway network is lower than the EU average and presents average low standards both as regards the rail infrastructure and services, passengers and goods, and a limited railway mobility especially at international level.</p> <p>The territorial analysis underlines as well that transport systems are characterized by low</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>interoperability and it's necessary to better organize the use of existing transport infrastructures and corridors with the aim to enhance the potential of the regions to function as hubs for tourists and trade, improving the intra and interregional connectivity. The enhancement of sustainable cross border connections and the improvement of skills and capacities of public and private transport actors in sustainable transport management are of critical importance in order to achieve this goal. If relevant, for some specific actions, appropriate coordination mechanism with the Italian responsible authorities of Internal Security Fund (ISF) will be put in place in order to create synergies and increase the effectiveness of the intervention through complementary programmes. In particular, if relevant, the MA will timely inform Italian responsible authorities of ISF about the launch of the call for proposals and will send to them the list of projects selected and the related proposals, also in order to avoid any double funding.</p> <p>In this contest the main result of the Programme is to enhance the coordination in the Programme area to tackle common challenges in order to boost an integrate territorial development, focused on the improvement of transport services, on the efficient policy of nautical routes even under the economic point of view, the seaports capacity to be reached easily by sea, considering as priority safety measures and environmental protection,. The impact of transports on the living environment, on human health (pollution, in particular improvement of air quality and reductions of PM and N02 emission, noise) should be taken into account in the development of innovative sustainable solutions.</p> <p>Since the development of transport system and hard infrastructures is funded by other instruments, the implementation of the Programme is concentrate to support the development of innovative and interoperable applications for transport support structure, as well as transport procedural, technology and organizational innovations, in order to well tuning the use of existing transport infrastructures, to better organizing the Corridors and to adequate the level of services toward international safety and quality standard's levels.</p> <p>IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer.</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. 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

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

The following list of possible actions is only an indicative list and can be completed with other relevant actions contributing to the specific objective's goals:

1. Establishing a cooperation platform among relevant stakeholders to improve multimodal connections inside the programme area so that the existing transport infrastructure and transport services could be used more efficiently and be more user-friendly.
2. Enhancing network of relevant cross border customs stakeholders to improve custom procedures for passengers and goods traffic, contributing to reach the target by 2020 of reducing the time spent at regional border crossings by 50%.
3. Fostering connections between the main cross border transport infrastructures and the EU trans-European corridors, aimed at promoting sustainable transport in the Region, also implementing small scale investments in advanced services and physical infrastructures.
4. Enhancing the intraregional connectivity of the area as hub both for freight and passengers toward and from other destinations.
5. Improving and exchange of skills in terms of sustainable transports systems both for operators and management
6. Setting up of consolidated platforms allowing the optimization of out of standard loads (LCL – Less Container Load)

Indicative types of beneficiaries: Public bodies, Bodies governed by public law local, regional and national authorities, transport regional and national development agencies; education and training organizations, railway undertakings, port authorities, research institutes, national, regional and local Authorities of transports and infrastructures, civil society organizations.

Target groups: multi- modal operators, shipping operators, shippers, maritime transport industry, customs, railway operators, local communities., citizens and end-users.

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

The following guiding principles will be observed when selecting project applications:

Strategic coherence: coherence and contribution of each project application to the relevant Programme's specific objective, while addressing in a coherent way the achievement of the Programme's specific results envisaged. Furthermore, the CBC added value of the operation, its territorial dimension and the relevance of the partnership will also be assessed in this context

Operational quality: design of the project application in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency, communication of the project and its specific results, potential for uptake and embedment into operative procedures of the partners involved. The output and result-oriented approach that places much emphasis on the development of concrete, relevant and visible outputs and results will be a must.

Compliance to the Cross-cutting thematic Priorities: a specific section of the quality assessment grid will check the coherence of the project proposals with the following thematic Priorities

- f) promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities;
- h) Strengthening research, technological development, innovation and information and communication technologies through, inter alia, promoting the sharing of human resources and facilities for research and technology development.

Compliance to the horizontal principles: coherence and contribution of each project application to the Programme's horizontal principles (in accordance to the Articles 5, 7, 8, of the EU Regulation 1303/2013, the Article 8 (7) of EU Regulation 1299/2013, as well as the SECTION 6 of the present documentpartnership and multi-level governance, sustainable development, promotion of equality between men and women and non-discrimination)[A1] and the demonstration of their integration and advancement within the project proposal intervention logic.

Compliance of projects funding with EU State aid legislation and public procurement regulations will be ensured; in particular (a) Directives 2004/18/EC and 2004/17/EC, (b) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (c) Directives 89/665/EEC and 92/13/EEC and (d) the general public procurement principles derived from the Treaty on the Functioning of the EU.

The detailed assessment criteria will be adopted by the Monitoring Committee and will be made available to potential applicants in the calls for proposals' documentation, which will be prepared and disseminated by the Managing Authority and the Joint Secretariat.

The implementation of the Programme foresees also strategic / thematic projects aimed to better focus specific Programme goals and addressed to provide concrete solutions to particular needs, as arisen in the Territorial Analysis.

The interrelations and the direct and indirect effects between actions implemented within tourism, environment and transports fields will be taken into

consideration in selection and evaluation process of the project proposals. In the call for proposals will be requested that any development and upgrading of transport infrastructure (road or marine) shall be foreseen in mobility plans or other urban instruments adopted by relevant Authorities, which, are linked to air quality plans under Directive 2008/50/EC or equivalent for Albania e Montenegro, whenever possible

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

N.A.

2.1.6 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 IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		SO4.1 - Increase coordination among relevant stakeholders to promote sustainable cross border connections in the Cooperation area					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4.1	Agreements for cross-border passengers and freight sustainable transport systems and multimodal mobility solutions	Number	5.00	2015	7.00	survey	2018 2020 2023

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID of the thematic priority		c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.			
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting
4.1.1	Number of new products, services, pilot and demonstration projects realized	Number	4.00	monitoring system	2018 2020 2023
4.1.2	Number of new multimodal connections for the benefit of passengers and freight	Number	4.00	monitoring system	2018 2020 2023

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 4 - Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures					
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator
4.1.1	O	Number of new products, services, pilot and demonstration projects realized	Number	0	4.00	monitoring system	PA 4 has two output indicators, for which we can estimate an equal share of projects (50% i.e. total no. of projects expected/2, rounded up) shall contribute to. Projects shall select at least one out of the two programme indicators for this priority axis and explain how they will contribute to this. Projects shall report on how many new products, services, pilot or demonstration products were produced in its activities. We foresee that at least one product per project was achieved
4.1.2	O	Number of new multimodal connections for the benefit of passengers and freight	Number	0	4.00	monitoring system	PA 4 has two output indicators, for which we can estimate an equal share of projects (50% i.e. total no. of projects expected/2, rounded up) shall contribute to. Projects shall select at least one out of the two programme indicators for this priority axis and explain how they will contribute to this.
Fin	O	Financial indicator	EUR	55,604.00	15,760,285.00	monitoring system	The financial indicator relates to the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by it, in line with Article 126 of the CPR. N+3 targets are used, related to the P.A. total amount, incl. national co-financing and 1/3 of the pre-financing deducted from 2018 target. 2018 target IPA + nat.co-fin. = 55.604 (IPA = 47.263), 2023 target IPA + nat.co-fin. = 15.760.285 (IPA = 13.396.242)
KIS4	I	Projects contracted for increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures	Number	3	7.00	Monitoring system	By the end of 2018 no operation will be completed. Nevertheless, the programme is progressing and the first call for standard project proposals was launched beginning of 2017, for a project development and assessment to be finalized early autumn 2017. On this basis, the first call projects are expected to be contracted at the end of 2017, therefore their activities will start in the first 6 months of 2018 for a first interim report to the programme expected in the second half of 2018.

Additional qualitative information on the establishment of the performance framework (optional)

PLEASE SEE METHODOLOGY IN ANNEX

2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

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

Table 6: Dimension 1 Intervention field

Priority axis	PA 4 - Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures
Dimension	€ Amount
036 - Multimodal transport	8,037,745.20
044 - Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	5,358,496.80

Table 7: Dimension 2 Form of finance

Priority axis	PA 4 - Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures
Dimension	€ Amount
01 - Non-repayable grant	13,396,242.00

Table 8: Dimension 3 Territory type

Priority axis	PA 4 - Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures
Dimension	€ Amount
01 - Large Urban areas (densely populated >50 000 population)	5,358,496.80
04 - Macro regional cooperation area	8,037,745.20

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 4 - Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures
Dimension	€ Amount
07 - Not applicable	13,396,242.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 4 - Increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures
There is no action limited to improving the implementation capacity of one specific Priority Axis. Actions of technical assistance concern all Priority Axes and are developed in the specific section	

2.2 Description of the priority axes for technical assistance

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

2.2.1 Priority axis

ID of the priority axis	PA 5
Title of the priority axis	Technical Assistance

2.2.2 Calculation basis for Union support and justification of the calculation basis

Calculation basis (total eligible expenditure or public eligible expenditure)	Public
Justification of the calculation basis choice	

2.2.3 The specific objective of the priority axis and the expected results

(Reference: points (c)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	Title	Results that the partner States seek to achieve with Union support
5.1	To increase in efficiency and effectiveness the management and implementation of the Cooperation Programme	<p>A sound management of the cooperation programme is the pre-condition for its effective implementation. The programme is a new CBC programme which nonetheless can refer to a wide range of experiences and lessons learnt from transnational and cross-border cooperation programmes implemented in the EU programming period 2007-2013 and, respectively, the Med, the South East Europe and the IPA CBC Adriatic programmes.</p> <p>In particular, the evaluation of the IPA and South East Programme 2007-2013 observed that administrative burden in the framework of implementation could be reduced.</p> <p>Accordingly, the change driven by the Programme mainly refers to further improving and streamlining administrative procedures for a faster and more efficient implementation of the programme and an improvement of the support to beneficiaries so that they can apply in better conditions and submit more targeted and better quality projects.</p> <p>The main expected results are:</p> <ul style="list-style-type: none"> a) ensuring an adequate management and control environment of the programme, as described in Section 5.3; b) ensuring that all programme implementation steps (including the launch of calls, contracting, monitoring of operations and programme achievements, reimbursement of expenditure, etc.) are timely and

ID	Title	Results that the partner States seek to achieve with Union support
		properly executed.

2.2.5 Programme specific indicators

2.2.5.1 Programme specific result indicators

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

Table 10: Programme specific result indicators

Priority axis		PA 5 - Technical Assistance					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Total target value (2023)	Source of data	Frequency of reporting

2.2.3 The specific objective of the priority axis and the expected results

(Reference: points (c)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	Title	Results that the partner States seek to achieve with Union support
5.2	To improve the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the programme implementation	<p>Besides a sound programme management, the capacity of applicants and beneficiaries to participate in the programme, as well as the direct involvement of relevant partners, in accordance with the multi-level governance approach, as defined in Article 5 of the Regulation (EU) 1303/2013, (i.e. competent national, regional and local bodies representing public institutions at all relevant level, socio-economic bodies and the civil society), are key aspects of its successful implementation.</p> <p>In the framework of this specific objective, the programme will address the need to build capacity of applicants and beneficiaries to participate in operations and to reach effective results aimed at improving policies and strategies and/or investments on long term.</p> <p>The main change sought is an improvement of the quality of projects, which implies less numerous applications better corresponding to the requirements of the programme.</p> <p>This change will require an adaptation of calls for proposals (targeted calls, strategic calls...), simplified procedures and more targeted support to the applicants and to the beneficiaries (training on preparation of applications as well as on project management, mobilisation of the joint secretariat (JS), also through individual consultation, information, animation, mobilisation of National Info points).</p> <p>Accordingly, two main results are envisaged:</p> <ul style="list-style-type: none"> - Increased capacity of applicants and beneficiary to participate in the programme; <p>Strengthened involvement of relevant partners in programme implementation.</p>

ID	Title	Results that the partner States seek to achieve with Union support

2.2.5 Programme specific indicators

2.2.5.1 Programme specific result indicators

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

Table 10: Programme specific result indicators

Priority axis		PA 5 - Technical Assistance					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Total target value (2023)	Source of data	Frequency of reporting

2.2.5.2 Programme specific output indicators expected to contribute to results

Reference: point (c)(iv) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 11: Common and programme specific output indicators

Priority axis		PA 5 - Technical Assistance		
ID	Indicator	Measurement unit	Total target value (2023)	Source of data
5	Number of employees (full-time equivalents) from the programme management structures	Number	8.00	monitoring system

2.2.4 Actions to be supported and their expected contribution to the programme implementation

Priority axis	PA 5 - Technical Assistance
Types and examples of actions and expected contribution to the Specific Objectives:	
<p>The following list of possible actions is only an indicative list and can be completed with other relevant actions contributing to the specific objective's goals.</p>	
Specific Objective 5.1: Actions to support Programme structure with a sound management of the cooperation programme in terms of efficiency and effectiveness	
<p>In line with Article 59 of the Regulation (EU) 1303/2013 (CPR), actions within Specific Objective 5.1 target the preparation, management, monitoring, evaluation, information and communication, networking, control and audit tasks of the programme. Moreover, actions referring to this Specific Objective also address the reduction of the administrative burden for beneficiaries, applying the principles of simplification and harmonisation of rules, increased flexibility and proportionality.</p>	
<p>Indicative actions supported under Specific Objective 5.1 are listed below and refer to principles and tasks described in Sections 5.3 and 7:</p>	
<ul style="list-style-type: none">• Set up and management of a Joint Secretariat supporting the MA/CA and assisting the MC (Monitoring Committee), in the Programme administrative and financial management;• Establishment of the AA (Audit Authority) and the GoA (Group of Auditors), for the implementation and day-to-day financial management and monitoring of the Programme;• Preparation and implementation of calls for proposals, including the development of guidance documents, setting out the conditions for the support of operations, eligibility criteria and priorities in project selection;• Setting-up and implementing procedures for the quality assessment, monitoring and control of operations implemented under the Cooperation Programme, also making use of external experts where necessary;• Carrying out procedures contributing to the reduction of administrative burden for beneficiaries, such as use of common provision regulations with other ETC programmes, introduction of standardized management and monitoring tools, lighter model reports and templates, digitalization of documents;• Collection of data concerning the progress of the Programme in achieving its objectives, as well as financial data and data relating to indicators and milestones, and reporting to the Monitoring Committee and the European Commission;• Drafting and implementing the Programme Communication Strategy, including the setting up and implementation of information and communication measures and tools in line with Article 115 of the Regulation (EU) 1303/2013 (CPR);• Drafting and implementing the Programme evaluation plan and follow-up of findings of independent Programme evaluations;• Setting-up, running and maintenance of a computerised system to record and store data on each operation necessary for monitoring, evaluation, financial management, verification and audit, in compliance with the applicable electronic data exchange requirements and contributing to the reduction of administrative burden for beneficiaries;	

- Setting-up a network of national first level controllers, coordinated by the MA/Joint secretariat, in accordance with Regulation (EU) No 1299/2013, with the purpose of exchanging information and best practices at CBC level;
- Setting up and execution of audits on the programme management and control system and on operations;
- Training for Programme bodies ;
- Organization of events and conferences as well as production of promotional materials at national level for Programme activities dissemination.

For the establishment of its management and monitoring structures (JS, the National Info Points in Albania and Montenegro, FLC, the technical assistance units to the Certifying Authority, the Managing Authority and the Audit Authority and National Authorities), the Programme foresees the recruitment of staff, whose salaries will be paid by the Technical Assistance resources of the Programme.

Specific Objective 5.2: Actions to improve the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the Programme implementation.

In line with Article 59 of the Regulation (EU) 1303/2013 (CPR), actions within Specific Objective 5.2 target the reinforcement of capacity of applicants and beneficiaries to apply for and to use the funds as well as the involvement of relevant partners, including the exchange of good practices among partners.

Indicative actions supported within Specific Objective 5.2 are listed below and they refer to principles and tasks described in Sections 5.

- Drafting of information documents for applicants and beneficiaries to guide them in the preparation of applications and the implementation, evaluation, control and communication of approved operations;
- Organisation of consultation, information, training and exchange events to strengthen the capacity of applicants to develop applications directly contributing to the programme Specific Objectives and expected results;
- Organisation of trainings on specific implementation issues such as project and financial management, reporting, control, audit, communication and networking to strengthen the capacity of beneficiaries to implement approved operations;
- Organisation of monitoring visit to running projects performed by the JS aimed at carrying out, whenever needed, quality assessment of outputs/results, with the possibility to ask for improvements;
- Developing information and exchange tools (e.g. analytical documents, bilateral meetings, targeted events, etc.) and organisation of CBC and national events to strengthen the involvement of relevant partners in the implementation of the programme (also including authorities involved in the development or implementation of macro-regional strategies, joint legal bodies operating in the area (EGTCs,...) and umbrella organisations at EU/CBC level);Set up a network of National Info Points in Participating Countries, cooperating with the JS and the National Authorities in charge of the Cooperation Programme;
- Executing studies, reports and surveys on strategic matters concerning the Programme that can contribute to the sustainability and take up of

results and achievements into policies, strategies, investments or that are of public interest, making use of experts when necessary.

In the implementation of their management and monitoring activities, all the Programme structures and bodies listed in Section 5.3 will be funded through the available resources for Technical Assistance of this SO.

2.2.6 Categories of intervention

(Reference: point (c)(v) of Article 8(2) of Regulation (EU) No 1299/2013)

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

Table 12: Dimension 1 Intervention field

Priority axis	PA 5 - Technical Assistance
Dimension	€ Amount
121 - Preparation, implementation, monitoring and inspection	4,728,085.20
122 - Evaluation and studies	788,014.20
123 - Information and communication	2,364,042.60

Table 13: Dimension 2 Form of finance

Priority axis	PA 5 - Technical Assistance
Dimension	€ Amount
01 - Non-repayable grant	7,880,142.00

Table 14: Dimension 3 Territory type

Priority axis	PA 5 - Technical Assistance
Dimension	€ Amount
07 - Not applicable	7,880,142.00

2.3 Overview table of indicators per priority axis and thematic priority

Table 15: Table of common and programme specific output and result indicators

Priority axis	Thematic priority	Specific objective	Result indicators	Output indicators
PA 1	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.	Specific objective SO	1.1	1.1.2, CO01, CO04
PA 2	d- Encouraging tourism and cultural and natural heritage.	Specific objective 2.1.	2.1	2.1.1, 2.1.2, 2.2.2, CO01, CO04
PA 2	d- Encouraging tourism and cultural and natural heritage.	Specific objective 2.2.	2.2.a, 2.2.b	2.1.1, 2.1.2, 2.2.2, CO01, CO04
PA 3	b- Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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.	Specific objective 3.1	3.1	3.1, 3.1.2
PA 3	b- Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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.	Specific objective 3.2	3.2	3.1, 3.1.2
PA 4	c- Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.	Specific objective SO4.1	4.1	4.1.1, 4.1.2
PA 5		Specific objective 5.1		5
PA 5		Specific objective 5.2		5

SECTION 3. FINANCING PLAN

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

3.1 Financial appropriation from the IPA (in €)

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

Table 16

2014	2015	2016	2017	2018	2019	2020	Total
0.00	5,707,102.00	8,150,102.00	18,717,298.00	15,104,862.00	15,406,960.00	15,715,098.00	78,801,422.00

3.2.1 Total financial appropriation from the IPA and national co-financing (in €)

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

1. The financial table sets out the financial plan of the cooperation programme by priority axis.
2. The EIB contribution is presented at the level of the priority axis.

Table 17: Financing plan

Priority axis	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union Support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b) or (a) + (c)	Co-financing rate (f) = (a) / (e)	For information	
				National public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
PA 1	Total	15.760.284,00	2.781.227,00	2.224.981,00	556.246,00	18.541.511,00	84,9999981123%		
PA 2	Total	22.064.398,00	3.893.718,00	3.504.346,00	389.372,00	25.958.116,00	84,9999976886%		
PA 3	Total	19.700.356,00	3.476.534,00	2.781.227,00	695.307,00	23.176.890,00	84,9999978427%		
PA 4	Total	13.396.242,00	2.364.043,00	1.891.234,00	472.809,00	15.760.285,00	84,9999984137%		
PA 5	Public	7.880.142,00	1.390.614,00	1.390.614,00		9.270.756,00	84,9999935280%		
Total		78.801.422,00	13.906.136,00	11.792.402,00	2.113.734,00	92.707.558,00	84,9999975191%		

3.2.2 Breakdown by priority axis and thematic priority

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

Table 18

Priority axis	Thematic priority	Union support	National counterpart	Total funding
PA 1	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.	15.760.284,00	2.781.227,00	18.541.511,00
PA 2	d - Encouraging tourism and cultural and natural heritage.	22.064.398,00	3.893.718,00	25.958.116,00
PA 3	b - Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and 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.	19.700.356,00	3.476.534,00	23.176.890,00
PA 4	c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.	13.396.242,00	2.364.043,00	15.760.285,00
Total		70.921.280,00	12.515.522,00	83.436.802,00

SECTION 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT (WHERE APPROPRIATE)

(Reference: Article 34 (1) of IPA II Implementing Regulation and Article 8(3) of Regulation (EU) No 1299/2013)

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme and the Partnership Agreements of the participating Member States showing how it contributes to the accomplishment of the programme objectives and expected results

The programme strategy identifies territorial challenges shared across the cooperation area, reflecting common cross-border needs and potentials that can be effectively tackled through transnational cooperation and the adoption of an integrated approach to territorial development.

This approach has a twofold dimension, combining an horizontal perspective (mainstreaming different intervention sectors: tourism-environment-transport, SMEs-culture-tourism, energy efficiency-risk protection, etc.) with a vertical integration of different institutional levels, interesting programmes and strategies implemented in the cooperation area. Integrated territorial development will be guaranteed by a number of means, such as carrying out common initiatives and information activities, assuring the participation to decision making processes, facilitating the joint work of programmes management and implementation structures (e.g. Managing Authorities, Monitoring Committees, IPA coordinators) and their involvement into national and international events. The programme will encourage synergies between different governance levels, the integration of Programmes and funds, sharing common implementation actions and their compliance with macro-regional strategies (in particular EUSAIR).

IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer.

4.1 Community-led local development (where appropriate)

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (a) of Article 8(3) of Regulation (EU) No 1299/2013)

N.A.

4.2 Integrated actions for sustainable urban development (where appropriate)

Principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the IPA support for these actions

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (b) of Article 8(3) of Regulation (EU) No 1299/2013)

N.A.

Table 19: Integrated actions for sustainable urban development – indicative amounts of Union support

Indicative amount of Union Support (€)

0.00

4.3 Integrated Territorial Investment (ITI) (where appropriate)

Approach to the use of Integrated Territorial Investments (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (c) of Article 8(3) of Regulation (EU) No 1299/2013)

N.A.

Table 20: Indicative financial allocation to ITI (aggregate amount)

Priority axis	Indicative financial allocation (Union support) (EUR)
PA 1	0.00
PA 2	0.00
PA 3	0.00
PA 4	0.00
PA 5	0.00
Total	0.00

4.4 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, where applicable, strategically important projects identified in those strategies (where appropriate)

(Where partner States and regions participate in macro-regional and/or sea basin strategies)

(Reference: point (d) of Article 8(3) of Regulation (EU) No 1299/2013)

The Interreg IPA II CBC Italy Albania Montenegro Programme strategy has been developed with the contribution of stakeholders, research experts and taking into account the preparatory work for the definition of the EUSAIR Action Plan (SWD(2014) 190 final).

Coherence with the Partnership Agreements and the SCPs of IPA countries respectively has been verified aiming at the coordination with the mainstream of ERDF and IPA II interventions; the focused thematic orientation of the Programme reflects the overall consensus of the participating countries.

The Interreg IPA II CBC Italy Albania Montenegro Programme is partially coincident and completely included into the EUSAIR geographic Area, this meaning that the Programme will concur to the EUSAIR Action Plan implementation.

And, in fact, beside the specific Programme Territorial Analyses, highlighting the development needs of the area, the EUSAIR documents have been consulted for additional inspiring elements, with the aim of the widest convergence among topics, actions, results and outputs, and coherently with the Macroregional prescriptions of making a better use of existing resources, legislations and institutions.

Both EUSAIR and Interreg IPA II CBC Italy Albania Montenegro Programme Strategies rely on an integrated approach, and the present Programme will develop operational projects aimed to implement the EUSAIR strategy, based on the capacity of existing institutions and territorial stakeholders to cooperate in the region.

In terms of correspondence of EUSAIR and Programme objective:

PA 1. The SO 1.1 aims at delivering a better regulatory framework in order to create “environmental conditions” to stimulate investment in the Programme area, on the other hand a strengthened interaction between business support organizations and SMEs, promoting internationalization and innovation through networking, cooperation and exchange of experience between all the interested actors . Considering the cross cutting Priority mentioned here, above all, actions shall aim at strengthening and empowering innovation clusters and networks, stressing their cross-border dimension, mainly in the field of blue economy, sustainable agriculture, food processing , green economy and social innovations.

SO 1.1., acting on the cross - border “business environment” and SMEs competitiveness, is coherent with the Pillar 1 “Blue Growth” of the EUSAIR Action Plan and the Cross Cutting issues “Capacity building” and “Research innovation and SME’s development”.

PA 2. Both the 2 SOs are acknowledging the rich natural and cultural heritage of the Programme area both as a growth asset for tourism but also as a value per se. The application of an integrated approach for both natural and cultural heritage will be strictly linked to its economic added value and to the sustainable tourism valorization. The actions should build on knowledge, skills and heritage assets, which would connect and promote lesser-known destinations of the Area. The approach directly addresses also the creativity industry as a driver for the economic growth and attractiveness of the Programme area.

SO2.1. is coherent with the Pillar 4 of the EUSAIR Action Plan, mainly in terms of support to: a) common tourist / territorial brand building; b) sustainable and accessible tourist offer; c) thematic tourist routes; d) foster natural heritage; e) upgrade of tourist products. Furthermore, the SO is aligned to the EUSAIR

Cross Cutting issue “Capacity building”.

SO 2.1. is coherent with the Pillar 4 of the EUSAIR Action Plan, mainly in terms of support to: a) foster cultural heritage, creative cross border region. Furthermore, the SO is aligned to the EUSAIR Cross Cutting issue “Capacity building”.

PA 3. The PA addresses the need to increase cross-border cooperation strategies on water landscapes , to reduce carbon emission and to adopt energy efficiency standards and practices in the public sector, including the needs of minimizing the impact of climate changes, reducing environmental risks such the hydrogeological one, the inland and coastal waters pollution, the water scarcity, the CO2 emissions, etc.

SO3.1. is coherent with the Pillar 3 of the EUSAIR Action Plan, with reference to its two topics :

1. Marine environment

2. Terrestrial habitats and biodiversity.

Furthermore, the SO is aligned to the EUSAIR cross cutting issue “Capacity building”.

SO3.2. is synergic with the Pillar 2 of the EUSAIR Action Plan, with reference to its topic “Energy Networks”, as both interventions complement each other and might produce a smarter and more sustainable growth at Programme area level.

Furthermore, the SO is aligned to the EUSAIR Cross Cutting issue “Capacity building”.

PA4. The PA contains a territorial dimension per se, by addressing connectivity in the Adriatic sea. The Programme focuses on multimodality, logistics and environmental friendly transport and mobility, contributing thus to the conciliation of the different uses and needs among regions and users, with reference to people and goods transports.

SO 4.1. is coherent with the Pillar 2 of the EUSAIR Action Plan, with reference to the following topics:

1. “Maritime transport”.

2. “Intermodal connections to the hinterland”.

Additionally, the SO is aligned to the EUSAIR Cross Cutting issue “Capacity building”.

In order to ensure the maximum impact of the Programme activities on the implementation of the EUSAIR Strategy, the involvement and consultation of EUSAIR governing bodies (the Governing Board and the Thematic Steering Committee) is going to be ensured throughout the Programme lifetime in its more relevant phases of planning and implementation, such as call for proposals drafting, strategic projects evaluation, participation to the meetings of the Joint Monitoring Committee. Accordingly, the programme will monitor those initiatives labelled within the EUSAIR framework, introducing evaluation criteria that give priority to projects coherent with EUSAIR strategy.

Capitalization and communication activities as well as the implementation of projects may foresee specific involvement or consultation of other EU territorial cooperation programmes such as MED and ADRION.

The MA will ensure the coherence and complementarity with relevant EU and national funding instruments that contribute to the same or similar objectives of the cooperation programme or complement its interventions.

Additionally, the regional Programmes already foresee connections with this IPA CP and EUSAIR; the respective Managing Authorities, together with the IPA Coordinators of Albania and Montenegro, will be

invited to take part to the Monitoring Committee meetings in order to put in place strong coordination mechanism and ensure synergies among the different Operational Programmes of the participating Countries. The Italian referent of the Partnership Agreement will take part to the MC, too.

SECTION 5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

5.1 Relevant authorities and bodies

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

Table 21: Programme authorities

(Reference: point (a)(i) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Managing authority	Puglia Region – Department of Economic Development, Innovation, education, training and job	Director of the Managing Authority Office	CORSO SONNINO 177 70100 BARI	area.economia@regione.puglia.it
Certifying authority	Puglia Region – Service for Certifying Programmes of the Section Unique Programming	General Director	VIA G. GENTILE 70100 BARI	Autoritacertificazione.regione@pec.rupar.puglia.it
Audit authority	Puglia Region – Control and European Policies Audit Office	Director of Control and European Policies Audit Office	VIA POSITANO 6 70100 BARI	Autoritaaudit@regione.puglia.it

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

(Reference: point (b) of Article 8(4) of Regulation (EU) No 1299/2013)

- the managing authority
 the certifying authority

Table 22: Body or bodies carrying out control and audit tasks

(Reference: points (a)(ii) and (iii) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Body or bodies designated to be responsible for carrying out audit tasks	Audit Unit Montenegro	Member of the group of auditors		omer.markisic@revizorskotijelo.me
Body or bodies designated to be responsible for carrying out audit tasks	Ministry of Finance Albania	Member of the group of auditors		geisa.greca@financa.gov.al
Body or bodies designated to carry out control tasks	Ministry of European Integration Albania	Director in charge of FLC		daniela.cekani@integrimi.gov.al
Body or bodies designated to carry out control tasks	Ministry of Finance, Directorate for Finance and Contracting of the EU Assistance Fund (CFCU)	Director General for Finance and Contracting of the EU Assistance Fund		katarina.zivkovic@mif.gov.me
Body or bodies designated to carry out control tasks	Region Puglia	Director of the Managing Authority Office		area.economia@regione.puglia.it

5.2 Joint Monitoring Committee

Table 23: Indicative list of Joint Monitoring Committee members

Name of authority/body and department or unit	Role in the programme	Name of the person responsible for the authority/body (position or post)	Address	Email
MINISTRY FOR EUROPE AND FOREIGN AFFAIRS	Designated official member of the JMC	Daniela Cekani		daniela.cekani@mfa.gov.al
MINISTRY FOR EUROPE AND FOREIGN AFFAIRS REPUBLIC OF ALBANIA	Substitute member of the JMC	Gentian Xhaxhiu		gentian.xhaxhiu@mfa.gov.al
Ministry of Foreign Affairs - Directorial Officer in the General Directorate for EU - External Relation of the EU	Substitute member of the JMC	Clara Rose		clara.rose@esteri.it
Ministry of Foreign Affairs - General Directorate for EU	Designated official member of the JMC	Alberto Petrangeli (Head of the Office II - External Relation of the EU)		alberto.petrangeli@esteri.it
Prime Minister's Office European Integration Office	Designated Official Member of the JMC	Ivana Glisevic Durovic (Director)		ivana.glisevic@mep.gov.me
Prime Minister's office	Designated official member of the JMC	Miodrag Raceta		miodrag.raceta@mep.gov.me

5.3 Procedure for setting up the joint secretariat

(Reference: point (a)(iv) of Article 8(4) of Regulation (EU) No 1299/2013)

The Joint Secretariat is set up in agreement with the Participating Countries to the Programme INTERREG IPA II CBC Italy-Albania-Montenegro, under the responsibility of the Management Authority.

JS is based in Bari, at the premises made available within the Department of Economic Development, Innovation, education, training and job of Puglia Region.

The JS assists the Managing Authority and the Joint Monitoring Committee in carrying out their respective duties. It also provides information to all potential beneficiaries on the Cooperation Programme funding opportunities and assists the Lead beneficiaries in the implementation of selected projects' proposals.

The Managing Authority initiates the selection procedure for the JS staff recruitment through an open competition, taking into consideration the Terms of Reference agreed on by the JMC, laying down individual job descriptions. Contracting procedures with the selected candidates are implemented according to the related Italian legislation and ensure an equal treatment for all JS staff. These recruitments are open to candidates from any EU Member State and from any Participating Country in the INTERREG IPA II CBC Italy-Albania-Montenegro Programme. The international representativeness of the cooperation area is assured.

The JS is composed by international external experts, recruited by public procurement rules, covering the following functions:

- JS coordinator
- Legal and Administrative expert;
- Financial expert;
- Communication expert;
- Project Managers;
- Operational Secretary;

The principles of equal opportunity and non-discrimination are taken into consideration in the recruitment of the Joint Secretariat staff.

5.4 Summary description of the management and control arrangements

(Reference: point (a)(v) of Article 8(4) of Regulation (EU) No 1299/2013)

This following section describes the implementation structure of the INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020 and, specifically, bodies acting as Managing Authority (MA), Certifying Authority (CA), Audit Authority (AA) and Joint Secretariat (JS). It also defines the tasks of each of the involved body, including the Joint Monitoring Committee (JMC) and describes the relations between the different bodies in the various processes necessary for the Cooperation Programme implementation.

The Programme language is English.

Italy, Albania and Montenegro, which are the Participating Countries in the INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020, in accordance with their respective responsibilities laid down in the Regulation (EU) No 1303/2013, Regulation (EU) No 1299/2013 and Commission Implementing Regulation (EU) No 447/2014, are expected to establish a shared management system to manage, coordinate and supervise the implementation of the Cooperation Programme.

The management of this Programme follows the management structure applicable to a Structural Funds Programme. As regarding IPA Participating Countries, it applies Article 9 (3) of the Regulation (EU) No 231/2014 establishing an Instrument for Pre-accession Assistance (IPA II) and Article 34 of the Regulation (EU) No 447/2014 on the specific rules for implementing Regulation (EU) No 231/2014, which explicitly refers to the Regulation (EU) No 1299/2013 (CTE). As a result, general principles for management and control arrangements are specified in Article 72 of the Regulation (EU) No 1303/2013

5.3.1 JOINT IMPLEMENTATION STRUCTURE AND DIVISION OF TASKS BETWEEN THE DIFFERENT BODIES

JOINT MONITORING COMMITTEE (JMC)

The main function of the JMC are specified in Article 49 and Article 110 of Regulation (EU) No 1303/2013 and in article 38 of the Commission Implementing Regulation (EU) No 447/2014.

In accordance with Article 47 of the Regulation (EU) No 1303/2013 and Article 38 of the Commission Implementing Regulation (EU) No 447/2014, the Member State and the Participating Countries in the INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020, in agreement with the Managing Authority, set up a Joint Monitoring Committee (JMC) within three months from the date of the notification of the Commission's decision approving the Cooperation Programme.

The JMC draws up its own rules of procedure within the institutional, legal and financial framework of the Participating Countries concerned and adopts them in its first meeting in agreement with the MA in order to exercise its duties in accordance with the Regulation (EU) No 1303/2013, the Regulation (EU) No 1299/2013 and the Commission Implementing Regulation (EU) No 447/2014. The rules of procedures contain a detailed description of the composition, the functioning and tasks as well as the decision-making process of the JMC.

Members of the JMC represent the Member State and Participating Countries in the Programme on policy

and administrative level and ensure a transparent approach.

Composition of the Joint Monitoring Committee

The composition of the JMC of the Programme, according to Article 48 (1) Regulation (EU) No 1303/2013 and Article 38 (2) of the Commission Implementing Regulation (EU) No 447/2014 is agreed upon by the Member State and by the Participating Countries in the Cooperation Programme. Each Participating Country is equally represented and comply with the partnership principle in managing, monitoring and evaluating the project's proposals in all stages of programme implementation.

The JMC is chaired by a representative of the Participating Country or by the Managing Authority. The rotatory principle is applied.

Decisions by the JMC are taken by consensus whereby each Participating Country has one vote. Decisions may also be taken through written procedure. The JMC meets at least once a year.

The JMC is made up of four representatives per each Participating Country at the appropriate governance level (national, regional or local), and includes as well representatives of:

- European Commission, participating in an advisory capacity;
- The IPA Coordinators of Albania and Montenegro
- The Managing Authorities of the Italian regional Programmes, together with the referent of the Partnership Agreement.
- The National referents of EUSAIR of the participating Countries.
- The Managing Authority and the Certifying Authority, participating in an advisory capacity;
- The JS, providing the secretarial support to the JMC and participating in an advisory capacity;
- The Audit Authority, which can participate as an independent observer;
- Cross-border economic and social partners and bilateral non-governmental organizations, who may participate in an advisory capacity as specified in the rules of procedure and according to the code of Conduct on Partnership.
- Other institutional and territorial stakeholders, including representatives of the civil society

The list of members of the MC shall be published on the programme web site; other arrangements on the transparency of MC decisions will be indicated in the rules of procedure.

Role and tasks of the Joint Monitoring Committee

The JMC steers the Cooperation Programme and examines all issues that affect the performance of the Programme, in order to ensure the quality, effectiveness and accountability of its implementation.

The JMC reviews the implementation of the Programme and progress towards achieving its objectives and, in details, it carries out its functions in line with Article 49 and Article 110 of the Regulation (EU) No

1303/2013.

The JMC also adopts the methodology, criteria for selection of projects' proposals and eligibility rules before the launch of each call for proposals. It selects the project's proposals financed by the Cooperation Programme in line with Article 12 of the Regulation (EU) No 1299/2013 and with Article 39 of the Commission Implementing Regulation (EU) No 447/2014.

The JMC approves the list of projects' proposals/operations to be funded in the framework of the Cooperation Programme.

The JMC validates the management and control system description that forms the basis for the designation of the Programme Authorities according to Article 124 (2) of the Regulation (EU) No 1303/2013.

MANAGING AUTHORITY

General principles for management and control arrangements are specified in Article 72 of the Regulation (EU) No 1303/2013.

The Managing Authority, assisted by the Joint Secretariat, is responsible for managing and implementing the Cooperation Programme in accordance with the principle of sound financial management. It carries out the functions described in Article 125 of the Regulation (EU) No 1303/2013 and Article 23 of Regulation (EU) No 1299/2013.

In particular, the Managing Authority is in charge of the transmission of information and data to the Joint Monitoring Committee and to the European Commission, in particular financial data and data relating to indicators and milestones as well as data relating to the progress of the Cooperation Programme in achieving its objectives and results.

The Managing Authority acts for the benefit of the whole Cooperation Programme.

The Managing Authority acts, in the implementation of its tasks, in full accordance with Italian institutional, legal and financial provisions.

The Managing Authority, in agreement with Participating Countries to the Cooperation Programme, sets up the Joint Secretariat as provided for in chapter 5.2.

Based on the principles of efficiency and commitment, a dedicated staff within the Department of Economic Development, Innovation, education, training and job -, ensures the implementation of the MA duties, including effective involvement of staff and services, according to the regional administrative organization. For administrative and financial issues the Managing Authority is supported by regional internal staff and by an external Technical Assistance Unit.

With reference to the relations and respective roles of Managing Authority and Joint Monitoring Committee of the Programme, the MA will ensure that JMC implements its own duties and discharges its own responsibilities in compliance with EU Regulations and IPA Implementing Rules.

The MA will provide all necessary tools allowing the JMC to formulate recommendations on Programme implementation and will ensure a prompt feedback on the actual measures consequently adopted.

Moreover, the MA:

- promotes synergies and ensure coordination with the other EU territorial cooperation and development Programmes funded by ERDF, ESF, EAFRD EMFF and IPA, the institutions and policies at European, national, regional and local level;
- pays attention to the development of the Mediterranean and Adriatic – Ionian Macro-regional

Strategies, ensuring coherence in the territorial development paths here foreseen;

- respects values in terms of environmental sustainability, equal opportunities, non-discrimination, human rights as well as the objectives of the European Union 2020 Strategy;
- operates respecting the general principles and policies of the European Union as public procurement and competition rules, environmental issues, equity and no discrimination with the aim to target the calls for proposals in line with the Cooperation Programme priorities to meet the real needs and interests of the territories and in terms of generating added value and sustainable projects;
- optimizes the financial, human and time resources in a fully transparent way.

On-the-spot verifications

In order to guarantee quality control, the Managing Authority, in line with Article 125 (5) (b) of the Regulation (EU) No 1303/2013, performs on-the-spot verifications at the level of beneficiaries. The frequency and coverage of the on-the-spot verifications are proportionate to the amount of public support to the project's proposal and the level of risk identified and audits by the Audit Authority for the management and control system as a whole. The Managing Authority draws up and, once approved by the Joint Monitoring Committee, applies the criteria to define the intensity of verifications.

CERTIFYING AUTHORITY

The Certifying Authority, according to Article 24 Regulation (EU) No 1299/2013, carries out the functions envisaged in Article 126 of the Regulation (EU) No 1303/2013.

In particular, the Certifying Authority is responsible for drawing up and submitting to the Commission payment applications and certifying that these result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the Managing Authority before being sent to the Commission.

The Certifying Authority is also responsible for drawing up the annual accounts, certifying the completeness, accuracy and veracity of the annual accounts and that the expenditure entered in the accounts complies with applicable EU and national rules and has been incurred in respect of projects' proposals selected for funding in accordance with the criteria applicable to the Cooperation Programme and complying with EU and national rules.

Special attention is paid in the designing and implementation of the Management and Monitoring ICT Tool to be used, among the others, for supporting the Certifying Authority in the performance of its specific functions, in order to ensure that an electronic interchange of data among the Programme Authorities is guaranteed.

In order to fulfil its tasks, the Certifying Authority is supported by regional internal staff and by an external Technical Assistance Unit.

AUDIT AUTHORITY

The Audit Authority carries out its functions in accordance with Articles 123, 124, 127 and 128 of the Regulation (EU) No 1303/2013 and Articles 21 and 25 of the Regulation (EU) No 1299/2013.

The Audit Authority ensures that audits are carried out on the proper functioning of management and control system of the Cooperation Programme and on an appropriate sample of projects' proposals on the basis of the declared expenditures. It draws up an audit opinion on the annual accounts for the preceding accounting year and an annual control report setting out findings of the audits carried out during the preceding accounting year.

The Audit Authority prepares, within eight months of adoption of the Cooperation Programme, an audit strategy of performance and audits. The audit strategy sets out the audit methodology, the sampling method for audits on projects and the planning of audits in relation to the current accounting year and the two subsequent accounting years.

In line with Article 25 (2) of the Regulation (EU) No 1299/2013, the Audit Authority is assisted by a Group of Auditors (GoA) comprising of representatives from responsible bodies of each Participating Country in the Cooperation Programme, carrying out the above listed duties detailed in Article 127 of the Regulation (EU) No 1303/2013. The representatives have to be independent from the JMC members, the controllers designated according to Article 23 (4) of the Regulation (EU) No 1299/2013 and any project's activities and finances. The GoA is set up within three months of the decision approving the Cooperation Programme at the latest. It draws up its own rules of procedure and is chaired by the Audit Authority

Where audits and controls are carried out by a body other than the Audit Authority, the latter ensures that such bodies have the necessary functional independence. The decision on the body carrying out the system audits and the checks on expenditure is taken by the Audit Authority and the Group of Auditors during the process of designing the audit strategy of the Cooperation Programme.

EU Member State and Participating Countries are responsible for the audits carried out on their territories.

The Audit Authority acts, in the implementation of its tasks, in full accordance with Italian institutional, legal and financial provisions.

JOINT SECRETARIAT

According to Article 23 of Regulation (EU) No 1299/2013, the Joint Secretariat assists the Managing Authority in carrying out its functions and is the main technical supporting body responsible for the implementation of the Cooperation Programme. The Joint Secretariat provides information to potential beneficiaries about funding opportunities under the INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020, and assists beneficiaries in the implementation of projects' proposals. It sets up and maintains contacts with Lead beneficiaries and their partnerships.

More specifically, the Joint Secretariat ensures at cross-border level coordination, follow-up and promotion activities and provides technical support for the preparation of meetings and events at the Programme level (Monitoring Committees, Cross-border Conferences and working groups, training and seminars, other specific thematic meetings).

The Joint Secretariat facilitates, assesses and ensures that projects' selection is equitable and transparent. It collects financial, physical and statistical data that are needed for Programme monitoring as well as for the interim and final appraisals. It verifies payment claims in sight of payment to Lead beneficiaries. Moreover, it performs tasks related to the implementation of the Programme communication plan and related to follow up of running projects, by carrying out monitoring activities and in itinere evaluation of the selected projects.

The Joint Secretariat is also in charge of implementing the information system that is open and available to operators for the implementation of the Cooperation Programme: schedule, progress, contacts, phone details, website.

The annual work plans and reports of the JS have to be approved by the JMC. The set-up and functioning of JS, including its activities, are funded from the TA budget in line with MA/JS work plans and reports to be approved by the JMC annually.

NATIONAL INFO POINTS

The National Info Points will be located in Montenegro and Albania. Their main tasks are to translate the

goals of the Cooperation Programme to potential beneficiaries in Participating Countries and serve as national information points for the projects' preparation and submission phase, and implementation. The INTERREG IPA II CBC Italy-Albania-Montenegro Programme National Info Points are synergic with the activities of the Joint Secretariat. The National Info Points may carry out, in cooperation with the JS and the National Authorities in charge of the Cooperation Programme, other specific activities.

The main tasks of the National Info Points are:

- acting as an information point for potential project applicants and beneficiaries at national level;
- contributing to maximize information and publicity actions within the respective Countries;
- acting as link among beneficiaries and bodies in charge, at national level, of the implementation of the Cooperation Programme;
- supporting, at national level, the JS and Programme controllers for the implementation of projects-monitoring activities;
- supporting national bodies with information required for fulfilling their tasks.

The National Info Points are trained on a regular base, for ensuring their best performances and for aligning their local activities to the different Programme implementation phases.

5.3.2 ORGANISATION OF THE ASSESSMENT AND SELECTION OF PROJECTS' PROPOSALS

In the framework of the Cooperation Programme's implementation, it is possible to apply to different categories of calls for proposals, related to different categories of project initiatives:

- Standard projects , open calls addressing the development needs of the Cooperation Programme, in the framework of objectives, results and outputs identified by the Programme strategy.
- Strategic projects, targeted calls based on terms of references which rely on the top-down approach and foresee the involvement of all Participating Countries to the Cooperation Programme, in the framework of a multi-level governance model which rely on relevant beneficiaries and key actors. The financial dimension of the strategic projects aims at maximizing their impact on medium and long term in the whole Cooperation Programme area.
- Thematic projects, targeted calls based on terms of references which rely on the top-down approach and are focused on topics of particular relevance for the Programme Cooperation area, surfacing from specific needs. The financial dimension of thematic projects aims at maximizing their impact on medium and long term within the targeted area of the Cooperation Programme.

Not less than 50% of the Programme budget dedicated to calls of proposals is devoted to Strategic and Thematic projects.

The MA and JMC components ensure the maximum visibility and promotion of each call for proposals, along with related explanation docs and application packages, by spreading them through the Programme website, national websites and within dedicated national events.

The Project selection process is up to the overall responsibility of the JMC, who approves the dedicated set of selection criteria and the Application pack drafted by the JS. The JMC approves the list of projects' proposals to be funded in the framework of the Cooperation Programme. The JMC may set up a Steering

Committee acting under its responsibility for the selection of the projects' proposals, according to article 39 of the Commission Implementing Regulation (EU) No 447/2014.

Selection process and criteria are clearly detailed in the Programme Implementing Manual and in the Project Application Pack of each call for proposal.

The assessment criteria are defined with the aim of maximizing the result-oriented approach of the Programme, focusing on projects able to deliver concrete and visible outputs and results, promoting an integrated territorial development of the interested area, responding to well identified challenges affecting the Programme area and addressing its development needs.

SELECTION PROCEDURE

Following the submission to the MA, each project proposal is subject to a procedure of evaluation. The selection procedure is composed by two steps:

1ST STEP – FORMAL ASSESSMENT

The JS performs two levels of control:

- 1) Admissibility check: the project's proposals are checked against a set of administrative criteria (i.e. submission of the project proposals within the given deadline; the Application Form is the official form provided; all requested documents are attached, etc.);
- 2) Eligibility check: the project's proposals are checked against a set of technical criteria (e.g. respect of the cross-border partnership composition; respect of the financial threshold; completeness of the required documents by the call, etc.).

Only the projects' proposals that fulfill the admissibility and eligibility criteria are admitted to the further quality assessment, while the not eligible ones are rejected by decision of the JMC.

The MA, with the support of IS, communicates to the Lead beneficiaries the results of the formal assessment.

2ND STEP – QUALITY ASSESSMENT

In the quality assessment phase, the JS evaluates the projects' proposals against a set of quality criteria approved by the JMC. The JMC may rely on a group of External Experts carrying out a technical/scientific evaluation of the project's proposal, providing comments and score referring only to specific section of the quality assessment grid.

The quality criteria, and the related scores, are defined according to the following:

- Cross-Border relevance;
- Relevance to the topic/theme;
- Coherence with the Programme strategy, priority and specific objective;
- Partnership relevance;
- Concrete and measurable output, results and impact on the Cooperation Programme area;
- Quality of the actions planning;
- Project Sustainability, according to its most important dimension: institutional dimension,

economic dimension, environmental dimension, equity dimension

- Cost-benefit compliance with the mobilized resources (human, financial, material etc.);
- Sound budget (in terms of distribution among partners, budget lines, spending periodical provisions etc.);
- Sound project communication strategy/tools/channels/actions;
- Effective management methodology, with reference to technical capabilities and innovative aspects of it;
- Compliance with horizontal principles and cross-cutting priorities.
- Integrated nature of the operations

The MA ensures that the evaluation procedure is carried out in accordance with the requirements of the call for proposals and the approved selection criteria.

The MA submits to the JMC a provisional ranking list of the evaluated project's proposals; the JMC adopts a final decision and approves the ranking list.

The MA publishes the final ranking list on the Programme website and, through the JS, informs the Lead beneficiaries of the project's evaluation results. The communication shall also contain information in case the lead partner intends to initiate a complaint procedure.

RESOLUTION OF COMPLAINTS

The MA adopts standardized procedures for the complaints management along the entire Programme implementation to offer better services both to applicants and beneficiaries.

Complaints could be:

- Addressed to reconsider the result of the selection process, including the administrative complaint;
- Complaints not included in the administrative procedures on complaints.

As far as the former option is concerned, all the existing procedures defined by the current law are compulsorily implemented, whereas in the latter specific procedures shall be identified and shared to identify a quick solution.

Further information on the procedure for the submission of complaints will be laid down in the relevant programme documents communicated to lead beneficiaries and beneficiaries.

CONTRACTING

Following the decision of the JMC to approve applications recommended for funding, the MA and the Lead beneficiary sign a Subsidy Contract for each project. The MA will use a standard template for the subsidy contract approved by the JMC which is developed in compliance with the applicable laws of the Republic of Italy and the principles of the institution hosting the MA.

The subsidy contract is addressed to the Lead beneficiary, appointed by the partnership, and is signed by the legal representative of the Lead beneficiary institution and by the MA.

The subsidy contract lays down all the necessary implementing arrangements for a project proposal.

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

5.3.3 ARRANGEMENT FOR MANAGEMENT VERIFICATION – TO BE FURTHER ADAPTED TO IPA RULES

In the framework of financial management and control, Participating Countries ensure that their management and control system are set up in accordance with the provisions stated in EU Regulations and that systems function effectively and properly.

Each Participating Country in the Cooperation Programme verifies that the co-financed products and services have been delivered and that expenditure declared by beneficiaries has been paid and that it complies with applicable UE and national law, the Cooperation Programme and the conditions for support to the project's proposal, according to Article 23 (4) of Regulation (EU) N. 1299/2013.

Each Participating Country designates the body or person responsible for carrying out such verifications in relation to beneficiaries on its territory ("controllers") and is also responsible for verifications carried out in its territory.

For INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020, such verifications are carried out by the controllers designated according to each participating country's control system (centralized or decentralised).

Each Participating Country guarantees that the expenditure of a beneficiary can be verified within a period of three months from the submission of the documents by the beneficiary concerned, in line with Article 23 (4) of the Regulation (EU) N. 1299/2013.

The Managing Authority ensures that the expenditure of each beneficiary participating to a project proposal has been verified by a designated controller.

In order to simplify administrative procedure and improve the management of the programme, the MA promotes harmonisation and coordination activities through the adoption of common standard levels between the national control systems .

Following these verifications, the JS receives from each project the regular progress report compiled by the lead beneficiary including a payment claim according to pre-defined deadlines.

VERIFICATION OF EXPENDITURE

ITALY

The Managing Authority is responsible for the verification of expenditure of Italian beneficiaries. It carries out verifications in relation to beneficiaries on its territory through a decentralized system of Register of Auditors, in line with Article 125 (4) (a) of Regulation (EU) No 1303/2013 (CPR) and Article 23 (4) of Regulation (EU) No 1299/2013 (ETC).

As far as Italian beneficiaries are concerned,

a) private partners, in line with European and National legal framework, demand activity checks of project's proposals or part of project's proposals, ex Article 23 of Regulation (EU) N. 1299/2013, to qualified experts. The latter have to meet requirements of professionalism, honorability and independence and should be enrolled to least from three years /to a certified list of accountants and accounting experts

or, alternatively, to the registers of auditors, as referred to in the Legislative Decree 27 January 1992, N. 88.

. Puglia Region – Economic Development Department – dedicated staff - validates the choice made by private beneficiaries in order to assure that all required elements are complied on. The above mentioned Office communicates the validation to the Managing Authority of the Cooperation Programme.

With regards to b) public partners, the latter, in line with European and National legal framework,

i) demand activity checks of project's proposals or part of project's proposals, according to Article 23 of Regulation (EU) N. 1299/2013, to qualified experts. The latter have to meet requirements of professionalism, honorability and independence and should be enrolled at least from three years to a certified list of accountants and accounting experts or, alternatively, to the registers of auditors, as referred to in the Legislative Decree 27 January 1992, n. 88.

Beneficiaries of selected projects include in the project budget an adequate amount of money for expenses relating to the validation process (approximately 2% of activities).

ii) public beneficiaries can, alternatively, demand activity checks of project's proposals or part of project's proposals to internal qualified structure of Bodies/Departments, provided that functional and hierarchic separation from involved structures in the implementation of projects are assured.

. Puglia Region –Economic Development Department – dedicated staff - validates the choice made by public beneficiaries in order to assure that necessary separation of management and control activities, as well as the functional independence of involved Structures in the implementation of the project's activities, are assured. The above mentioned Office communicates the declaration of independence to the Managing Authority of the Programme.

ALBANIA

As far as the Albanian beneficiaries are concerned, a centralized First Level Control System will be applied and will be carried out by controllers contracted by the Ministry of European Integration via contracted controllers.

Albania will ensure institutional independence and clear separation of functions between the units with responsibilities in programme management, project selection and approval and the bodies in charge of verification of project expenditure, performance of project activities.

The verification of project expenditure and delivery of products and services will be performed by the FLC Office set up by the Ministry of European Integration. This Office will be organizationally and functionally independent from other Departments of the Ministry of European Integration.

Furthermore:

- The FLC 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 Beneficiary”.
- Following the administrative control of expenditure declarations, that is carried out on the whole expenditure, Albanian FLC office is responsible for the spot-check on projects.
- The Albanian FLC office shall carry out the administrative control of expenditure declarations before submitting the first level Expenditure Certified Declaration to Managing Authority.

Controllers designated by the Participating Countries standard control criteria, jointly prepared by the participant countries, agreed by the Managing Authority and approved by the Monitoring Committee.

MONTENEGRO

As far as the Montenegro beneficiaries are concerned, a centralised First Level Control System will be applied and will be carried out by a controller contracted by the Ministry of Finance, Directorate for Finance and Contracting of the EU Assistance Funds (CFCU).

Montenegro will ensure institutional independence and clear separation of functions between the bodies with responsibilities in programme management, project selection and approval and the bodies in charge of verification of project expenditure, performance of project activities and delivery of products and services.

The verification of project expenditure and delivery of products and services will be performed by the CFCU within the Ministry of Finance.

The CFCU is organisationally and functionally independent from other sectors of the Ministry of Finance. The CFCU will not be involved in the programme as project partner.

Verifications carried out at national level shall cover the following aspects of the projects' proposals:

- Administrative verification - checking of the availability of all supporting documents related to the different types of costs;
- Financial verification - ensuring that all expenditures declared by the beneficiaries have been incurred in full compliance with the EU and national regulations;
- Technical verification - checking of whether services and goods have been delivered and if the delivered goods and services meet the required quality standards;
- Physical checking - on-the-spot checks (often combined with technical verification).

The condition of issuing the Declaration on validation of expenditures by the CFCU is that the verification of expenditures is executed by the CFCU controller.

IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer. These are the paragraphs we refer to:

REIMBURSEMENT FROM MANAGING AUTHORITY TO THE LEAD BENEFICIARIES

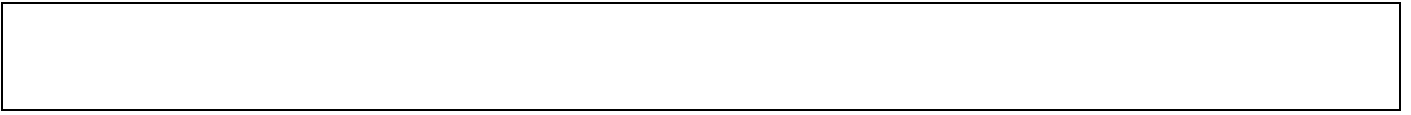
5.3.4 INFORMATION AND COMMUNICATION

5.3.5 PROGRAMME EVALUATION

5.3.6 COMPUTERISED EXCHANGE OF DATA

5.4 APPORTIONMENT OF LIABILITIES AMONG PARTICIPATING COUNTRIES IN CASE OF FINANCIAL CORRECTIONS IMPOSED BY THE MANAGING AUTHORITY OR THE COMMISSION

RECOVERY OF PAYMENTS FROM BENEFICIARIES



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

(Reference: point (a)(vi) of Article 8(4) of Regulation (EU) No 1299/2013)

The Participating State will bear liability in connection with the use of the programme ERDF and IPA contributions as follows:

- for project-related expenditure granted to project beneficiaries located on its territory, liability is born individually by each Participating Country;
- in case of a systemic irregularity or financial correction (the latter decided by the European Commission), the Participating Country bears the financial consequences in proportion to the relevant irregularity detected on the respective Participating Country's territory. Where the systemic irregularity or financial correction can not be linked to a specific Participating Country's territory, the Participating Country will be responsible in proportion to the ERDF/IPA contribution paid to the respective national project beneficiaries involved.
- For technical assistance expenditure incurred by the Managing Authority, the liability related to administrative irregularities shall be borne by the Managing Authority.

If the Managing Authority/Joint Secretariat, the Certifying Authority, any Participating Country becomes aware of irregularities, it has to inform, without any delay, the liable Participating Countries or Managing Authority. The latter will ensure the transmission of information to the Certifying Authority and Audit Authority/Group of Auditors, where relevant.

In compliance with Article 122 of Regulation (EU) No 1303/2013 (CPR), each Participating Country is responsible for reporting irregularity committed by beneficiaries located on its territory to the EC and at the same time to the Managing Authority. If the Participating Country does not comply with its duties arising from these provisions, the Managing Authority is entitled to suspend payments to all project beneficiaries located on the territory of this Participating Country.

The Financing agreement with IPA Countries shall clearly state that each beneficiary country hosting a project beneficiary is responsible for preventing, detecting, making decisions on and correcting irregularities made by public beneficiaries as well as private ones.

5.6 Use of the Euro (where applicable)

(Reference: Article 28 of Regulation (EU) No 1299/2013)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

In accordance with Article 28 of Regulation (EU) No 1299/2013, and by way of derogation from Article 133 of Regulation (EU) No 1303/2013, expenditure incurred in a currency other than the Euro shall be converted into Euro by the beneficiaries – using the monthly accounting exchange rate of the EC in the month during which expenditure was submitted for verification to the Managing Authority or the controller. The conversion shall be verified by the controller in the participating State in which the beneficiary is located.

5.7 Involvement of partners

(Reference: point (c) of Article 8(4) of Regulation (EU) No 1299/2013)

Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the Joint Monitoring Committee

5.3 Summary of the process of the preparation of the cooperation programme

The cooperation programme has been elaborated following the code of conduct of the European Commission.

The CP preparation process lasted about one year, starting in 27 February 2014 with the first TASK Force meeting in Podgorica, with representatives from the 3 participating countries (1 MS and 2 IPA countries). During this first meeting, Apulia Region candidated officially to become the Future Managing Authority of the INTERREG II CBC Italy-Albania-Montenegro Programme 2014-2020.

The Task Force adopted internal rules of procedure setting up the mission, the decision making process and the composition of the Task Force.

In order to ensure a general coherence of the CP contents with the European regulatory framework, the indicative time plan of the programming process was constantly updated taking into account the evolution of draft EU regulations and the consultation processes.

The TF decided to contract some external experts for the execution of specialised tasks related to the CP preparation such as the moderation and drafting process of the CP, the ex-ante and the strategic environmental evaluation.

A total number of 5 TF meetings took place during all the preparation process, and 3 written procedures.

5.4 Description of the involvement of the partners

The aim of the process was to validate strategic choices (thematic concentration) for the INTERREG II CBC Italy-Albania-Montenegro Programme 2014-2020 and to collect additional inputs and suggestions as well as ideas on potential CBC actions to be supported. For the preparation of the Programme, partners have been involved through a consultation launched on the programme level.

The MA launched on 19 September until 2 October 2014 (14 days) an online- consultation.

The invitation was sent to 726 stakeholders, including those from the mailing lists given by the member of the Task Force and those who filled the online registration form.

In the framework of the programming process the Task Force organized also one interregional event in Bari, on 20 September 2014, whereas two National brainstorming meeting were organized at Ministry level in Albania and Montenegro, aimed at collecting inputs from the public about their expectation from the INTERREG II CBC Italy-Albania-Montenegro Programme 2014-2020 and the possible additional results and actions for a fine-tuning of the Programme Strategy.

The participants were active and contributed opinions and ideas to all components of the programme. These inputs have been translated in concrete revision of the draft version of the cooperation programme and mainly focused on:

- The needs of the programme area,

- The additional thematic areas to be included as focus of the Priority axis,
- Some suggestions for improving the Programme management and implementation.

In the process of drafting of the CP document, the Environmental Authorities of Participating countries have been consulted, in order to guarantee a positive impact of the programme on the environment of the interested territories.

Action taken to facilitate the participation of partners

The INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020 informed partners about the launch of the consultation process on the Apulia regional website, and the National authorities of other participating countries informed through their own institutional websites relevant bodies, authorities and partners in their respective country.

The stakeholders included in the lists provided by the Participating countries, the project partners and the programme's bodies have been invited to answer the survey via an e-mail. The email included a short explanatory note and the link to the programme website for access to the consultation. Several reminders were sent during the consultation period.

Main added value of the partnership in the preparation of the cooperation programme

In the preparation of the cooperation programme, the main added value of partners has been to provide detailed information on priorities and coherent eligible actions at territorial level for a wide range of institutions and bodies. It helped to highlight priorities and to rank issues to be taken into account in the strategy of the programme.

Partners also helped to better identify types of actions and actions that should be supported within each Thematic Priority. This was necessary to propose operational and need-based types of actions able to generate concrete and measurable results.

Main results of the consultation with partners

The ranking of Thematic Objectives is overall in line with the pre-selection made by the Task Force Ranking of Specific Objectives

- **SO 2.1 – natural and cultural assets (1st ranked)** is acknowledged the first position by almost all categories of respondents.
- **SO 2.2 – creative industry and local development (2nd ranked)** stays on the top as far as Development agencies and NGO's are concerned, while the remaining categories are less enthusiastic. It is somewhat curious the fact that profit oriented undertaking (no difference was made between public or private owned undertakings) show little interest in that sector, as if they doubt of the real economic performance of the industry.
- **SO 4.1 – connectivity (3rd ranked)** is homogeneously well accepted by all categories, with a minor interest showed by profit based undertaking.
- **SO 1.1 – SME development (4th ranked)** the objectives gathers the support from all categories, but a relative minor interest on the side of the Central and Regional administrations..
- **SO 3.1 – environmental protection (5th ranked)** is very close to the previous SO, but it is definitely penalised by the apparent lack of interest at the level of Local Administrations and the Associations representing an economic interest. One may guess that in this case there is an immediate need for tangible quick results fostering a recovery of the economic growth which is given a higher priority when compared to long-term goals such as the environmental protection (and low-carbon emission policies).
- **SO 3.3 – water management (6th ranked)** is not considered as a priority in this case. The programme area faces a number of problems related to water management, but the fact that public administrations and even the representative of the economic interests are not pushing in this

direction suggests that this an issue whose solutions are shifted to other programmes .

- **SO 3.2 – reduce carbon emissions (last ranked)** has been left behind by all categories, the Development agencies and NGO’s being the only one showing a certain degree of interest It is a relatively unexpected result,, given the fact that the theme is widely discussed and introduced to the public opinion as one of the long term risks the mankind might face, but it is clear that IPA CBC is not perceived as the appropriate instrument to face these kind of policies.

Based on the consultation results, the Task Force agreed to focus the programme strategy on only 4 Thematic Priorities by reducing the number of SOs for PA3

The improvement of administrative and governance capacity and the strengthening of research and innovation will be considered as cross-cutting themes for all the PAs .

5.7.1. Description of the involvement of partners in the implementation of the cooperation programme and involvement in the monitoring committee

The involvement of relevant partners in the implementation of the INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020 will be organised for two reasons:

- To enhance ownership of the programme among the partners, in order to make use of the knowledge and expertise of these partners and to increase transparency in decision-making processes;
- To improve the coordination with other ESI and IPA II Funds as well as with relevant funding instruments under the umbrella of the Common Strategic Framework (CSF) and macro-regional strategies.

5.8 Coordination with the other ESI Funds and other EU Instruments and Programmes

Projects funded by INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020 may find synergies and integration with other EU funded programmes. For example – especially under Priority Axis 2 and 3 - they may complement actions and exploit results from LIFE 2014-2020 Programme, in the fields of environment protection, climate change, risk prevention and resource efficiency; the Programme will take into consideration projects concerning environmental protection and climate change issues according to LIFE Programme priorities .

In particular, LIFE programme “Integrated projects” implement at regional, multi-regional, national or trans-national scale environmental or climate plans or strategies required by specific Union environmental or climate legislation, in the areas of nature (including Natura 2000 network management), water, waste, air and climate change mitigation and adaptation. These projects encourage the involvement of stakeholders and promote the mobilisation of at least one other relevant Union, national or private funding source.

In order to assure coordination and synergies with funding from ERDF and EAFRD in the programme Italian territories, Puglia and Molise regions will consult ERDF and EAFRD management bodies in the projects evaluation phase, setting up appropriate selection criteria assessing compliance with the provisions of rural development regulations and avoiding double funding of operations. Managing Authorities of ERDF and EAFRD funds in Italian regions will be invited to participate to the programme Monitoring Committee, and to express their opinion on projects having an impact on regional development.

The same procedure will apply in case of projects interesting labour policies or professional training, that may be funded through ESF.

SECTION 6. HORIZONTAL PRINCIPLES

(Reference : Article 8(7) of Regulation (EU) No 1299/2013)

6.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

Sustainable development is both recalled in the name of priority axis 3 and integrated as a horizontal principle in the cooperation programme. It will be respected during the entire programme cycle (programming, implementation, monitoring and evaluation). “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCDE, WCED) will be the basic definition that will be used enlarging the point of view from purely environmental to a more wide approach, including social intra and inter generation equity, cultural heritage aspects as well as economic efficiency. The Programme activities will be correlated with the UN - Sustainable Development Goals (coming after the Millennium Development Goals in 2015) and a monitoring system will be set up. Additionally, Puglia and Molise have formally confirmed their participation to the Environment and cohesion network quoted on the Italian PA.

The Strategic Environmental assessment (SEA) and the Ex-ante evaluation provided inputs to ensure that the IPA II CBC Italy Albania Montenegro programme respect the principle of sustainable development. The programme aims at improving and harmonising environmental protection requirements, resource efficiency, climate change mitigation and adaptation across the partner’s countries. The reduction of the impact of human activities on the environment and the protection of ecosystems and biodiversity are supported by Thematic Priorities D) and B)

Furthermore, in a transversal way, beneficiaries are asked to promote eco-innovations aiming to make a more sustainable use of natural resources under all Priority Axes. More precisely, beneficiaries are requested to describe in their project proposals the efforts they will undertake to reduce the project’s ‘carbon footprint’. The programme bodies (MC, MA, JS, NCP) will also address this issue in relation to the implementation of their tasks.

In line with the principle of sustainable development, projects applications shall be evaluated using the following criteria:

- Projects which have a positive effect on the environment or which conserve, enhance or rehabilitate existing endowments will be preferred to those that are neutral from this perspective;
- Projects that have a potentially harmful effect on the environment will be excluded;
- Actions designed to raise environmental awareness and compliance both within the economic and administrative sectors, and among the general public, including acknowledgement that a high level of environmental performance can provide a long term competitive advantage, will be supported.

As guidance for the project evaluation process, the following aspects will be considered:

- Contribution to efficiency in the use of resources (e.g. energy efficiency, renewable energy use, efficient water supply, waste-water treatment and water reuse, sustainable land use, waste management and recycling etc.);
- Improvement of air quality, through the reduction of emissions and air pollutants (PM, NO₂);
- Contribution to the development of green infrastructures;
- Contribution to sustainable integrated urban and regional development;
- Contribution to better awareness for the adaptation to climate change and risk prevention;
- Promotion of employment opportunities, education, training and support services in the context of

environment protection and sustainable development.

In application forms, a special chapter shall be dedicated to sustainable development criteria. Project proposals with measurable output indicators on environmental issues (where applicable according to the objectives of the project) and/or logical frameworks (activities of the project, results, specific objectives, global objectives) with consideration on environmental issues shall be encouraged.

Whether projects are directly concerned by sustainable development issues or not, they shall be invited to implement actions/take specific measures to reduce the environmental impact. This can include, for example:

- Use of video conferencing to reduce travelling;
- Publications on FLC certified paper;
- Use of “green public procurement” procedures and innovative public procurement where appropriate;
- Use of short supply chains in the implementation of projects activities;
- Raising awareness of partners, beneficiaries and target groups on sustainability issues;
- Promotion of activities with limited use of energy and natural resources.

IMPORTANT NOTICE: The complete text of this paragraph could not be entered in the SFC2014, but it may be found in the previous pdf version of the cooperation programme 1.1., as adopted by EC, to which we refer.

6.2 Equal opportunities and non-discrimination

Description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities.

Non-discrimination covers not only women (and men) but any discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation. While anti-discrimination legislation is an acquired aspect of EU legal systems, the practical implementation of anti-discrimination practices is lagging behind. Equal access to information and controls on whether equality and non-discrimination requirements are being met is also an issue.

The strategy of the Programme puts emphasis in the sharing of knowledge, good practices and the principle of equal access to information. This includes targeting different social groups adequately; removing obstacles in the communication of the Programme (e.g. media, language etc.), promoting barrier-free approaches etc.

This strategic orientation of the Programme will be enhanced by a targeted selection of operations. When examining proposals the following “guiding question – where appropriate – should be assessed: Is the operation contributing to the promotion of equal opportunities and non-discrimination? Attention will be given to equal opportunities and non-discrimination through the inclusion of relevant indicators related to the profile of persons involved in projects, e.g. on gender, ethnic origin, age, occupation and education level, disabilities, etc.

While there will be no penalty for the projects not actively promoting non-discrimination and equal opportunities, their operations will be analysed on the basis of the monitoring findings and the identification of the obstacles met.

This strategic orientation of the programme can be enhanced by a targeted selection of operations. The assessment of the quality of the eligible project proposals will be based on a set of quality criteria which shall be common to all Priority Axis and Thematic Priorities. As a guide for the assessors, the following indicative aspects could be considered in project selection:

- Consideration of the different needs and intended and unintended impact of the project on different groups (e.g. people with disabilities, minorities and migrants, people of different religious beliefs and people of different sexual orientation etc.);
- Consideration of equal opportunities and non-discrimination in project implementation, e.g. concerning the establishment of an equal opportunities action plan, definition of equal opportunity targets, provision of equal opportunities training or diversity management courses, provision of supporting services;
- Provisions for an equal access to the operation’s outputs and benefits for all members of the society.

6.3 Equality between men and women

Description of the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

The aim of equality between women and men is one of the fundamental values of the European Union and is set out in the Treaty of the European Union (Article 8, Consolidated Version of the Treaty on the functioning of the European Union, Official Journal of the European Union C 83/49 of 30.3.2010). These fundamental values must be respected in the regulations and implementation of the programme as indicated by the need to “ensure that equality between men and women and [that] the integration of gender perspective is promoted in the preparation and implementation of programmes” and that the “...appropriate steps [will be taken] to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes” (Article 7, CPR, COM(2011) 615 final/2, Brussels, 14.3.2012, p. 34).

Attention shall be placed on basic gender-sensitive monitoring e.g.:

- Counting the number of women and men participating in projects;
- Assessing the number of women and men benefiting from funding;
- Assessing how much support and for which projects women and men receive funding (broken down by types of project/Investment Priority).

The assessment of the quality of the eligible project proposals will be based on a set of quality criteria which shall be common to all Thematic Priorities. As a guide for the assessors, the following indicative gender-mainstreaming aspects could be considered in project selection:

- Consideration of the different starting positions of the target groups (existence and extent of differences between women and men and the implications of these differences for the specific policy area etc.) and intended and unintended impact of the operation on those groups;

Assessment of how and why differences and inequalities are relevant to the proposed intervention, identifying where there are opportunities to narrow these inequalities.

SECTION 7 SEPARATE ELEMENTS

7.1 Major projects to be implemented during the programming period

Table 24 - List of major projects

Title	Planned notification/submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axes / Thematic Priorities
-------	---	--	--	--

7.2 Performance framework of the cooperation programme

Table 25 – Performance framework (summary table)

Priority axis	Indicator or Key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
PA 1	1.1.2 - Number of business and research institutions involved/offering nonfinancial support	No.	0	11.00
PA 1	CO04 - Productive investment: Number of enterprises receiving non-financial support	Enterprises	0	11.00
PA 1	Fin - Financial indicator	EUR	65,416.00	18,541,511.00
PA 1	KIS1 - Projects contracted for strengthening the cross-border cooperation and competitiveness of SMEs	Number	6	11.00
PA 2	2.1.1 - Number of new products, services and pilot or demonstration projects realized	Number	0	4.00
PA 2	2.1.2 - Number of valorized sites	Number	0	4.00
PA 2	2.2.2 - Number of cross-border creative platforms created	Number	0	4.00
PA 2	CO04 - Productive investment: Number of enterprises receiving non-financial support	Enterprises	0	4.00
PA 2	Fin - Financial indicator	EUR	91,583.00	25,958,115.00
PA 2	KIS2 - Projects contracted for smart management of natural and cultural heritage for the exploitation of cross border sustainable tourism and territorial attractiveness	Number	8	16.00
PA 3	3.1 - Number of new products and services, pilot and demonstration projects realized	Number	0	15.00
PA 3	3.1.2 - Number of users involved (in pilot or demonstration projects).	Number	0	15.00
PA 3	Fin - Financial indicator	EUR	81,770.00	23,176,889.00
PA 3	KIS3 - Projects contracted for environment protection, risk management and low carbon strategy	Number	7	15.00
PA 4	4.1.1 - Number of new products, services, pilot and demonstration projects realized	Number	0	4.00
PA 4	4.1.2 - Number of new multimodal connections for the benefit of passengers and freight	Number	0	4.00
PA 4	Fin - Financial indicator	EUR	55,604.00	15,760,285.00
PA 4	KIS4 - Projects contracted for increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures	Number	3	7.00

7.3 Relevant partners involved in the preparation of the cooperation programme

Selection of partners

The consultation within the INTERREG II CBC Italy-Albania-Montenegro Programme 2014-2020 has followed the “General principles and minimum standards for consultation of interested parties by the Commission” (“Towards a reinforced culture of consultation and dialogue – General principles and minimum standards for consultation of interested parties by the Commission”. Brussels, 11.12.2002 COM(2002) 704 final). Thus the Programme has ensured that the principles of openness and accountability, effectiveness and coherence have been applied when consulting its stakeholders.

There were four types of stakeholders to be consulted:

- (a) stakeholders included in the national/regional lists provided by participating countries;
- (b) SEE and IPA CBC Adriatic 2007-2013 project partners;
- (c) Programme’s target groups having a possibility to connect to the MA and participating countries websites;
- (d) Key implementers of the EUSAIR governance structure.

The notification about the survey was sent out by e-mail to 726 addresses.

List of partners involved in the consultation process

The online-consultation launched by MA between 19 September and 2 October, after a general introduction, included 3 main sections, asking for the participants contribution to:

- Appreciate the relevance of the 7 proposed pre-identified Specific Objectives (from “strategic” to “not relevant”) and give some suggestions on specific actions on each of them;
- Rank the same 7 pre-identified Specific Objectives;
- Express their support to possible improvement in the programme management system, including a free section where extra suggestions might be given.

An invitation to the public consultation on the INTERREG II CBC Italy-Albania-Montenegro Programme 2014-2020 was sent to 726 stakeholders, including those from the mailing lists given by the member of the Task Force and those who filled the online registration form. The return rate of 18.5 % is higher than the average based on the experience consolidated in previous similar surveys. 50% of the respondents filled the survey in less than 8 minutes. Among the 135 respondents, around 61% were from Italy, 26% from Montenegro and 13% from Albania.

When it comes to participation rates per category of respondents (Table 2), this is the distribution: 32% research and education bodies, 19% central/regional PA, 18% local public authorities/In-house, 13% undertaking profit oriented, 10% development agencies/NGO, 9% for chambers, unions and associations representing an economic interest.

Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Cooperation programme proposal version 3.0	Cooperation programme proposal	06-Sep-2018		Ares(2018)4866570	Cooperation programme proposal version 3.0	21-Sep-2018	npnicoli

Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Map of the area	A map of the area covered by the cooperation programme	1.0	08-Apr-2015		Ares(2015)2735861	Map of the CP	30-Jun-2015	nnotarbe
Ex-ante evaluation	Report of the ex-ante evaluation	1.0	12-Jun-2015		Ares(2015)2735861	Ex ante evaluation	30-Jun-2015	nnotarbe
Letter of agreement from Republic of Albania	Confirmation of agreement in writing to the contents of the cooperation programme	1.1	14-May-2015		Ares(2015)4028503	Confirmation of agreement in writing to the contents of the cooperation programme	30-Sep-2015	nnotarbe
Updated citizen summary	Citizens' summary	2.1	05-Mar-2017	Citizen_summary_upd	Ares(2017)4717456	Citizen summary updated 2017	27-Sep-2017	npnicoli
Programme Snapshot of data before send 2014TC1615CB008 3.0	Snapshot of data before send	3.0	21-Sep-2018		Ares(2018)4866570	Programme Snapshot of data before send 2014TC1615CB008 3.0 it	21-Sep-2018	npnicoli

Latest validation results

Severity	Code	Message
Info		Programme version has been validated.