

## **European Territorial Cooperation**

### **ADRION**

# **Interreg V-B ADRIATIC-IONIAN COOPERATION PROGRAMME 2014-2020**

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	ITH1	Provincia Autonoma di Bolzano/Bozen
	ITH2	Provincia Autonoma di Trento
	ITH3	Veneto
	ITH4	Friuli-Venezia Giulia
	ITH5	Emilia-Romagna
	ITI2	Umbria
	ITI3	Marche
	SI01	Vzhodna Slovenija
	SI02	Zahodna Slovenija
		AL Albania BA Bosnia and Herzegovina
	ME Montenegro RS Serbia	

## Acronyms

<b>AA</b>	audit authority
<b>ADRION</b>	Adriatic-Ionian Programme
<b>CA</b>	certifying authority
<b>CP</b>	cooperation programme
<b>ENI</b>	European Neighbourhood Instrument
<b>ERDF</b>	European Regional Development Fund
<b>ETC</b>	European Territorial Cooperation
<b>EUSAIR</b>	European Strategy for Adriatic and Ionian Region
<b>ERDF Partner States</b>	Croatia, Greece, Italy, Slovenia
<b>ICT</b>	information and communication technologies
<b>IP</b>	investment priority
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>IPA Partner States</b>	Albania, Bosnia and Herzegovina, Montenegro, Serbia
<b>JS</b>	joint secretariat
<b>MA</b>	managing authority
<b>MC</b>	monitoring committee
<b>NCP</b>	national contact point
<b>PA</b>	priority axis
<b>Partner States</b>	Croatia, Greece, Italy, Slovenia, Albania, Bosnia and Herzegovina, Montenegro, Serbia
<b>SEA</b>	Strategic Environmental Assessment
<b>RIS3</b>	Research and Innovation Strategies for Smart Specialisation
<b>SEE</b>	South East Programme 2007-2013
<b>SME</b>	Small and Medium sized Enterprises
<b>SO</b>	specific objective
<b>SWOT (analysis)</b>	strength, weaknesses, opportunities and threats
<b>TA</b>	technical assistance
<b>TO</b>	thematic objective
<i>Lead Partner and Lead beneficiary have been used as synonyms</i>	
<i>Project Partner and project beneficiary have been used as synonyms</i>	

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## **SECTION 1. STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION**

Reference: Article 27(1) of Regulation (EU) No 1303/2013 of the European Parliament and of the Council, point (a) of Article 8(2) of Regulation (EU) No 1299/2013 of the European Parliament and of the Council and point (5) of Regulation (EU) No 1301/2013 of the European Parliament and of the Council

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

#### ***1.1.1. Description of the cooperation programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion***

The Interreg V-B Adriatic-Ionian 2014-2020 (hereinafter ADRION), set up in the framework of the European Territorial Cooperation (ETC) - one of the objectives of the cohesion policy - includes 31 regions from four different ERDF Partner States and four IPA Partner States (hereinafter all referred to as Partner States).

For the period 2014-2020, the overall Programme budget amounts to EUR 117.918.198 including European Regional Development Fund (ERDF) - EUR 83.467.729 -, the Instrument for Pre-Accession Assistance (IPA II) - EUR 15.688.887 - and national contributions - EUR 18.761.582.

The overall objective of the ADRION Programme is to act as a policy driver and governance innovator fostering European integration among Partner States (Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia, Slovenia), taking advantage from the rich natural, cultural and human resources surrounding the Adriatic and Ionian seas and enhancing economic, social and territorial cohesion in the Programme area.

The Programme takes into consideration the experience of the 2007-2013 Operational Programmes (OPs), in particular the transnational South-East Europe programme (SEE) and the cross-border programme IPA CBC Adriatic whose eligible areas overlap with those of ADRION. It also takes into account the results of the SEE *in itinere* evaluation and the overall programme achievements of the previous programming period.

Following the European Commission decision drawing up the list of eligible regions and areas for the transnational strands of the ETC, the ADRION Programme covers the following areas:

#### a) The ERDF Partner States:

- IT Italy: 12 regions and 2 provinces;
- SI Slovenia: 2 regions;
- EL Greece: 13 regions;
- HR Croatia: 2 regions;

#### b) The IPA Partner States:

- AL Albania;
- BA Bosnia and Herzegovina;
- ME Montenegro;
- RS Serbia.



Moreover, according to Article 20 of Regulation (EU) No 1299/2013, in the context of cooperation programmes and in duly justified cases, the managing authority may accept that part of an operation is implemented outside the Union part of the programme area, provided that the conditions of Article 20 of Regulation (EU) No 1299/2013 are satisfied.

The total amount allocated under the cooperation programme to operations located outside the Union part of the programme area shall not exceed 20 % of the support from the ERDF at programme level.

### *The context of the programme*

The ADRION Programme exemplifies the broad policy framework channelling the development efforts on macro-regional and national levels. The drafting process was primarily led in accordance with the goals and priorities identified within multi thematic strategies at EU and macro-regional levels:

The Europe 2020 Strategy (EU2020), an instrument to coordinate the national and EU policy levels in order to produce and maintain European development, focuses on the three pillars of the concept of growth: smart, sustainable and inclusive. The mechanism needed to achieve the above-mentioned goals includes the National Reform Programmes, the objectives of which pursue the EU2020 objectives at national level.

The EU Strategy for the Adriatic-Ionian Region - EUSAIR described in two documents:

- (1) The Communication from the European Commission to the other EU institutions, (COM (2014) 357 final of 17.06.2014);
- (2) The Action Plan, concerning the European Union Strategy for the Adriatic and Ionian Region which complements the Communication (SWD(2014) 190 final of 17.06.2014).

The strategy focuses on four (4) Pillars: *1. Blue growth, 2. Connecting the Region, 3. Environmental quality, 4. Sustainable tourism*. The Action Plan is one of the outputs of the Strategy. Its aim is to go from “words to actions” by identifying the concrete priorities for the macro-region. It is structured so as to reflect the four pillars, as well as the topics selected under each of them, also including an indicative list of eligible actions and project examples.

The structure of the EUSAIR governance will be defined in order to identify and support actions and projects with a macro regional value. In the framework of the Action Plan, the governance structure shall identify the actions and the projects with a macro-regional value and the sources of financing, looking at the other funds available on the area (EU, national, regional and public, financial instruments, loan and private funds). The ADRION Programme shall support the governance and the implementation of EUSAIR mainly under the Thematic Objective (TO) No 11. The EUSAIR Strategy's coordination mechanism will be eligible for institutional and administrative support from the ADRION Programme.

The South-East Europe 2020 Strategy (SEE 2020) launched by the Western Balkans countries in 2011, acknowledges that close cooperation can accelerate the attainment of goals in key sectors. Inspired by the EU 2020 Strategy, the SEE 2020 is pursuing similar objectives taking into account the regional specificities. The strategy provides important guidance for the countries from the Western Balkans, in achieving a higher degree of convergence with the goals of EU2020.

The Macro-regional Strategy for the Alpine region (EUSALP), currently undergoing a consultation process, will be built upon three general action-oriented pillars: 1. To improve the competitiveness, prosperity and cohesion of the Alpine Region; 2. To ensure accessibility and connectivity for all the inhabitants of the Alpine Region; 3. To make the Alpine Region environmentally sustainable and attractive.

In this framework, three (3) thematic pillars have been identified: *Pillar 1. Fostering sustainable growth and promoting innovation in the Alps: from theory to practice, from research centres to enterprises; Pillar 2. Connectivity for all: in search of a balanced territorial development through environmentally friendly mobility patterns, transport systems and communication services and infrastructures; Pillar 3. Ensuring sustainability in the Alpine Region: preserving the Alpine heritage and promoting a sustainable use of natural and cultural resources.*

The Danube Region Strategy (EUSDR), developed in 2010, addresses to a wide range of issues which are divided among four (4) pillars and 11 priority areas. Its Action Plan and governance structure are meant to promote joint, coherent and mutually supportive actions that demonstrate immediate and visible benefits for the people, tackling joint challenges in the macro-region (or a significant part of it).

#### *Strategic response by the programme to contribute to EU2020*

As noted earlier, in 2010, the European Union and its Member States launched the EU2020 strategy as a ten year roadmap. It constitutes an overall strategic framework putting forward three mutually reinforcing priorities (quantified by five EU headline targets):

- 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 link of the ADRION Programme to the EU2020 strategy goals is ensured by the definition of the Thematic Objectives (TO) (Article 9 of Regulation (EU) No 1303/2013) and the requirement for thematic concentration (Article 6 of Regulation (EU) No 1299/2013). The TOs are further broken down into Investment Priorities (IP) (Article 5 of Regulation (EU) No 1301/2013) and Article 7 of Regulation (EU) No 1299/2013) and Specific Objectives (SO). Priority axes (PA) are set out to combine IPs covering one or more TOs (in cases of a thematically coherent context).

The ADRION Programme includes a wide transnational area with more than 70 million inhabitants, and has distinct physical, environmental, socio-economic and cultural characteristics. Hence, it addresses all three dimensions of sustainability, including social, economic and environmental aspects but also institutional elements.

It will be structured in four PAs that aim to develop coordinated policies and actions in the Programme area with a view to reinforcing the achievements of the EU2020 strategy towards smart, sustainable and inclusive growth.

Taking into account the potential role of the ADRION Programme as a coordination mechanism for Instruments, its elaboration has been made with reference to Partnership Agreements of the involved ERDF Partner States, National/Regional structural funds Operational Programmes, IPA II Multi-country and Country Strategy Papers of the Partner States and International Agreements concluded for the development of the Western Balkans (e.g.: Treaty on Energy Community [http://www.energy-community.org/portal/page/portal/ENC\\_HOME](http://www.energy-community.org/portal/page/portal/ENC_HOME)).

#### *Lessons from the past*

According to the 3<sup>rd</sup> Evaluation Report (November 2013) of the SEE programme, the most important results of the programme are related to the established partnerships and exchanged experience (good progress with the common standards developed under all the priority axes). In addition the Report highlights:

- Good dissemination of support to private sector in the area of innovation - there is already a significant overachievement on the number of SMEs and private sector reached;
- Evidence on successfully implemented measures and services for environment protection, risk prevention and resource efficiency.

In addition the evaluation of programme results (based on the finalized projects under the 1<sup>st</sup> call) indicates a number of factors, which hamper the achievement of results and diminish expected contributions, such as:

- Difficulties to reach end-beneficiaries (all priority axes except priority axis No 2);
- Difficulties to collaborate with public administration (priority axis No 1);
- Difficulties to involve private sector (priority axis No 3);
- Difficulties to promote the outputs to the public administrations (priority axis No 3).

Lessons learnt from the MED programme during the previous programming period 2007- 2013 highlight difficulties in generating projects in specific intervention fields like transport, maritime safety and natural risks. On the other hand, activities related to innovation but also to environmental issues have been quite successful and play an important role in Axis 1 (TO1) and 3 (TO6) of the 2014-2020 MED programme.

When it comes to the lessons learnt from the IPA CBC Adriatic programme, we can refer only to the first on-going evaluation report of 2011: according to its findings, the majority of the 33 approved projects (56%) aim at developing Common Tools, 25% share the objective of elaborating Common Strategies and Policies, while the remaining 19% aim at implementing Pilot Actions.

#### *Main findings on the economic, territorial and social context of ADRION Area*

This section provides a description of the main findings in the ADRION area.

**Demography.** The Adriatic area is characterised by a strong imbalance in regional development (weak territorial cohesion), combined with ageing population and de-population in mountain and rural areas. Internal migration is also an important issue in the area.

**Economy and labour market.** All Partner States involved in the ADRION Programme have been affected by the global economic crisis.

Most of the ERDF Partner States involved in the ADRION Programme face significant economic problems and have limited public resources:

- GDP and employment levels which have not yet returned to pre-crisis levels;
- Higher levels of unemployment, poverty and exclusion;
- Reduced household income, which depresses consumption and imports;
- Unprecedented levels of public debt and the need for fiscal consolidation.

Against this background, the future cohesion programmes shall put particular emphasis on growth-enhancing and job creating-investments. Only a stable and strong recovery can reduce the unemployment rates. This is why the European Commission is proposing to concentrate resources on a few, important areas such as employment (particularly for young people), training and education, social inclusion, innovation and SMEs, energy efficiency and a low-carbon economy and is open to expand it to Information and Communication Technologies (ICT) infrastructures and digital growth measures.

**Environment.** The ADRION area has an extraordinary environmental ecosystem, which is extremely delicate, subject to a range of pressures associated with agriculture, industries, port activities, especially on water quality and coastal areas. It is also affected by seasonal tourism and one-dimensional urbanisation that lead, among others, to loss of biodiversity and ecosystem fragmentation. Investments in environmental infrastructures, innovative technologies for the prevention of natural risks and the use of renewable energy sources are low. Moreover, the level of advancements on EU acquis of Partner Candidate Countries shows moderate progresses, underlining the need to strengthen institutional capacity, at all levels, to implement environmental legislations and policies aimed at fostering sustainable development and a more balanced use of natural resources.

- *Water.* Strategic actions should be undertaken at a cross-border/macro-regional level in order to promote balance between supply and demand, besides improving quality and efficiency of water services (reduction of water losses and increasing efficiency in agriculture). Moreover, the development and sustainable use of non-conventional water resources such as the re-use of treated wastewater should considerably be enhanced.
- *Waste.* Waste management in the Programme area shows a low level of sustainability as well. Further development of integrated waste management systems as well as support to research, innovation and technology transfer in relation to waste treatment and recycling are needed.
- *Air quality.* The Programme area is facing problems regarding air pollution (in particular Particulate Matter (PM) NO<sub>2</sub> (Nitrogen dioxide), and SO<sub>2</sub> (Sulfur dioxide) due to transport and combustion of solid fuel for domestic heating).
- *Biodiversity.* the Programme area is characterised by a great variety of terrestrial and aquatic habitats and species. The diverse topography, the climatic variation and the human activity have led to a remarkable evolutionary radiation. More than 25.000 are to be found, the half of which is considered to be endemic, making the area a “Global Biodiversity Hotspot”. The EMERALD and subsequent NATURA networks are an important first step in the effort to comply to EU and international obligations related to the protection of biological diversity, genetic resources, species, and ecosystems. However their level of implementation is not satisfying lacking effective management capacities. Additionally human impact due to pollution, land uses, leisure activities etc. is growing especially in very fragile areas, like coast ecosystems.
- *Integrated Coast Zone Management.* The Adriatic and Ionian coasts are facing a huge urbanisation process and pressure produced by mechanical fishing and aquaculture. This has a significant environmental impact resulting in loss of biodiversity, ecosystem fragmentation, desertification, salt water intrusion, and congestion. The Integrated Coastal Zone Management at cross-border level needs to be strengthened, also by improving the integration of coastal zone related policies with territorial socio-economic development in a sustainable way. The strategic assessment of the coastal zone to increase coastal resilience and prevent negative impacts of natural hazards (floods, erosion, salt water intrusion) exacerbated by climate change should be promoted too.
- *Risk prevention.* Countries involved in the Programme have to cope with the lack of homogeneous and comparable data for spatial/territorial planning addressing risk prevention policies, strategies and plans. As a result, a suitable level investment to support cross-border application and testing of innovative technologies for natural risks prevention and technological risks should be ensured.
- *Energy.* The share of energy from renewable sources (in % of gross final energy consumption) in the area is above average (about 24%), with IPA Partner States figuring higher shares, although the gap might be biased by slightly outdated data. Year 2012 saw a shift in the balance of renewable energy investment worldwide: the balance in overall investment changed from roughly a two-thirds-one-third split between developed and less developed economies to one that was much closer to 50:50. Within the ADRION area, the squeeze on subsidies in Italy triggered a fall in investments (-53% new investment in Renewable Energies - RE - on 2011) and the recession slowed down the Slovenian financial support scheme started in 2002 and upgraded in 2009. Investment is needed to meet the renewables target but the challenge lies in investing into the right type of renewable. The same

applies to Greece and to Croatia, as recently reported in their national plans adopted by the governments in 2013, together with the need to accelerate licensing of projects. In Partner States, the main Energy Efficiency - EE- and - RE - financing facilities are provided by International Financial Institutions and the EU and are available as loans that can be accessed through local banks. Energy systems in the region are fragmented, most of the countries having small markets which may be less attractive for investors. Better coordination and increased energy trading could reduce investment requirements for electricity generation by roughly 10 % by 2020, according to the Power Generation Investment Study conducted for the World Bank (World Bank, 2007).

### *Topography and Land uses*

The ADRION area is characterised by extensive mountainous areas (Albania, Greece, Montenegro and Slovenia being some of the most mountainous areas in Europe). The topographic diversity within individual countries (calculation based on geographic form and elevation variation) and the area as a whole is very high; exceptions to the rule being Italy and Serbia with plains in the North/North Eastern and moderate mountain ranges in the South.

The area has a relative high degree of forest coverage (although percentages vary among various sources due to different methodologies used), which is however under threat. Agriculture is an important landscape determining factor, thus affecting biodiversity and attractiveness of the area. Even though, it is an important economic sector, in many cases it is also a significant environmental pressure factor in areas like the Po valley in Italy, Vojvodina in Serbia or Central Macedonia and Thessaly in Greece due to the nutrient and pesticides discharges. Freshwater use varies considerable from 2% in Serbia to 89% in Greece; the variation should be considered in the light of agriculture importance in the economy (e.g. in Albania), the dependency of agriculture on irrigation and precipitation, but also the degree of specialisation and sophistication of the agricultural holdings (e.g. greenhouses and cotton in Italy and Greece). Indeed, regarding the abstraction of fresh surface water per capita in the Programme area, the highest volumes were observed in Greece (521 m<sup>3</sup> in 2007) and Serbia (506 m<sup>3</sup> in 2011); while the lowest were recorded in Croatia (133 m<sup>3</sup> in 2011). The ERDF Partner State with the highest fresh ground water abstraction per capita was also Greece (327 m<sup>3</sup> in 2007) (Source: Eurostat (2014) online data code: env\_wat\_abs).

While population density does not vary considerably (Italy and Montenegro being exceptions), there is much bigger variation within the countries themselves, such as Greece (Athens and Thessaloniki), Italy (Lombardia, Veneto, Emilia-Romagna, Puglia) and Serbia (Belgrade). Smaller, more polycentric countries, like Bosnia and Herzegovina and Slovenia have a higher number of rural population and population living in smaller towns. These patterns have important implications both on the level of human pressure in specific areas but also in relation to the existence of un-fragmented habitats and natural areas.

The ADRION Partner States practice different **approaches in water management**. Besides the overall high water consumption, which is partially caused by low water prices and low collection rates, other problems in the water supply system include water shortages, especially in the coastal regions during the summer season, and insufficient level of coverage of the rural areas with public water supply systems (with poor water quality control for the waters from the rural water supply systems and other sources). Quality of drinking water is regularly monitored for the public water supply systems and the quality requirements are in line with WHO and EU standards. An additional problem is the lack of pre-treatment of industrial wastewater discharged into the public sewage systems, and a low level of residential connection to the sewerage especially in the remote areas.

In the field of **waste generation**, the area is characterized by lower waste levels than the EU28 but with rapidly rising per capita levels and overall poorly coordinated waste management mechanisms with limited recycling structures and a heavy reliance on (often uncontrolled) landfills.

There were considerable variations among the countries, both in the amount of waste generated in 2010 and the activities that contributed considerably to waste generation. The total amount of waste generated ranged between 3.158 thousand tons in Croatia and 158.628 thousand tons in Italy which is more than Greece, Croatia, Slovenia and Serbia together. Regarding waste generation by activity, construction accounted for the largest share of generated waste. The manufacturing industry accounted for the largest share of generated waste in Slovenia (29 %) and Croatia (20 %).

Considering waste management, recent studies have clustered countries into different performance levels:

- High performing countries that generally have met or exceeded EU waste legislation targets;
- Medium-performing/transitional countries (including Italy, Slovenia) typically characterized by mid-level recycling, around 25-30%, and landfilling between 35-50%. Important changes have been made in Slovenia compared to pre-EU waste management practices but it is still under investigation whether and to what extent is to be supported by political, economic and infrastructural frameworks. For many of the medium-performing countries, a focus is needed on setting up the appropriate political, economic and infrastructure framework to avoid diverting waste from landfill to incineration instead of to recycling;
- Lower-performing/limited countries (including Greece) generally still have extremely high levels of landfilling, which is the lowest level of the waste hierarchy and therefore not in line with either the spirit or the letter of EU legislation. Recycling and composting levels also remain very low.

Additionally, these lower-performing countries often have no or only very weak schemes in place, whether to implement producer responsibility elements of the recycling directives or household charging for waste collection, or to encourage treatment at the higher levels of the waste hierarchy through landfill and incineration taxes or levies.

### *Accessibility<sup>1</sup>.*

One of the main features characterizing the Programme's area is the imbalance in the development of infrastructures and modes of transport, both between the two banks of the Adriatic Sea and among the Partner States, due to structural weaknesses, low level of maintenance and little investments in infrastructures. What is more, the lack of connections between coastal and inland areas leads to high pressure on coastal roads and bottlenecks. As a matter of fact, road transport is the most common mode of transportation for both goods and passengers throughout the area. Even sea-water transport has increased in Montenegro (+19%), Slovenia (+11%) and Croatia (+9%). Air transport of passengers has increased too, even though at different rates, while railways transport has decreased nearly in the whole cooperation area. The absence of data on inland-water transport underlines, once again, the lack of data and common indicators on infrastructures and transport services especially at a regional level.

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<sup>1</sup> More detailed information and data on accessibility in South East Europe was collected and elaborated by SEE Projects, and are available here [http://www.southeast-europe.net/en/achievements/outputs\\_library/](http://www.southeast-europe.net/en/achievements/outputs_library/). In particular see achievements and outputs of SEETAC project <http://www.seetac.eu/download/results.aspx> and SETA Project <http://www.seta-project.eu/index.php/start> and WATERMODE <http://www.watermode.eu/> and RAIL4SEE <http://rail4see.eu/downloads/deliverable/>

Common data collection and processing methodology are required to monitor transport and accessibility conditions and eventually overcome discontinuities across borders, optimise current services and develop existing infrastructure into multimodal systems. In doing so, it is advisable to strengthen administrative capacity (especially in the areas of maritime, inland-water transport and logistics) and support regional investments in infrastructures, multimodal transport networks and transshipment facilities. The latter would even help the approximation of IPA Partner States legislations to European standards including safety and market liberalisation.

### *Logistics efficiency and economic development*

Developing logistics chains is strictly connected to the international processes of economic integration since the logistics chains connect the production and distribution of goods through those transport systems able to guarantee reliable services.

Today the main trade exchange between the ADRION area and the EU shows the Balkan countries being more active in manufacturing import against raw materials and agricultural and food export, with a clear unbalanced transport relation.

This is a detriment for the transport activities since the empty return impacts negatively on the final cost of goods on the market.

Better intermodal organization and equipment helps to reduce the transport costs and the environmental performances mainly referred to the road transport thanks to a rational use of the lorry fleets and a progressive improvement of operational standards by the existing vehicle in use, which are economically competitive at a loss of environmental performances.

At the same time the quality of the rail service is mainly addressed to satisfy the low value goods transport or those ones which do not require high commercial speed.

The EU economic integration process of the ADRION area can for sure stimulate a better development of the transport sector as long as the countries opting for EU integration will be able to reorganize their domestic transport systems in an efficient and competitive way. More in general the pure transport cost is not the way to be competitive on the EU transport market.

Looking at sustainable interventions related to the available resources, one may assume that intermodality in the ADRION area could benefit from increased efficiency of the intermodal nodes – ports, freight villages, goods yards – by intervening on their entrance bottlenecks, on the storage and parking areas, and the efficiency of the intermodal transfer technologies.

Furthermore, trade facilitation issues and supporting modernisation of related transport networks, customs and border-crossing points and port services and operations are points of attention for the area.

### *Cultural Heritage*

Additionally to its rich biodiversity, the Programme area represents one of the richest regions in Europe in terms of cultural diversity with distinct traditions, languages, religions and architectural monuments ranging from antiquity to modern times.

Cultural heritage is largely acknowledged in the Programme Area and there is a large number of sites under protection. There are 62 UNESCO World Heritage Sites in the area (55 Cultural, 5 natural and 2 mixed) covering a total of hectares 347.000, altogether creating a very attractive destination for tourism. Out of them, 23 are in the Italian regions, 19 in Greece, 7 in Croatia, 4 in Serbia and the rest in the remaining countries.

Nevertheless the level of conditions, accessibility and presentation varies significantly among countries. In order to properly valorise these assets through tourism, further efforts are needed for improving the management of the sites both in terms of preservation and in applying sustainable methods of exploitation.



The ADRION Programme can provide the optimal framework for coordination of such actions and support the development of transnational strategies for jointly promoting the Region as a tourist destination.

The cultural diversity can represent a high potential for development; the coexistence of numerous ethnic, language and religious groups create the ground for easier communication and more intensive collaboration. This is even more strengthened by the large number of migrants concentrated around major cities of the region, besides asylum seekers and other beneficiaries of international protection, whose numbers in the region are increasingly significant.

The specific *milieu* of multiculturalism represents a source for developing cultural creativity and boosting the creative industries, a dynamic sector which can increase the attractiveness of the region and contribute to more and better jobs in both culture and tourism.

### *Tourism*

Being one of the most important sectors in the ADRION area, tourism has a firm relevance for growth in the Partner States, even though it is still concentrated in coastal resorts and characterized by high seasonality. In fact, the whole cooperation area has high potential for further development of cultural tourism in the main towns, most of which are UNESCO heritage, and of sustainable tourism related to environmental assets. Notwithstanding its great potential, tourism suffers from a number of weaknesses that should be addressed and of several risks generating negative impacts on the environment to be avoided or properly managed such as seasonal and mass tourism congestion. It is advisable to promote measures to integrate sustainable policies for the protection and enhancement of natural resources, landscape and cultural heritage in a framework of sustainable tourism development. Fostering institutional and public-private partnerships besides involving local communities could contribute to overcome the weak multi-level/multidimensional governance models for spatial and strategic planning and develop a more integrated and environmentally friendly framework.

The area has thousands of km of pristine beaches, over 10.000 islands (in Greece, Croatia, Italy) but also stunning mountain landscapes, important rivers (Danube, Po, Axios, Ardas-Evros, with enormous potential for developing river tourism), a wide variety of spa resorts an thermal springs and above all several parks and protected areas.

Also the cultural offer of the ADRION area is very important: hundred years of different dominations have inexorably influenced the culture and architecture of most of the regions of the area, which have extraordinary and vibrant cities, medieval monasteries, arts, numerous archaeological sites and traditions. To underline this extensive heritage, the ADRION area boasts 62 sites inscribed on the UNESCO List, representing 16% of the European UNESCO sites.

A diverse eno-gastronomic and folk craft heritage is also part of the ADRION area tourism resources. Most participating regions have a long culinary tradition and in some cases their typical products (agricultural and crafts) trigger important domestic tourism flows.

Unfortunately, the extraordinary environmental ecosystem and cultural heritage of the ADRION area suffer from two opposite and different problems: in some coastal spots, excessive pressure is applied by the same tourism settlements; in some other parts *minor* destinations, natural and cultural heritage is not yet enough enhanced, or sometimes is inaccessible (no public transport or inadequate road signs) or even closed to the public or lacks "light" infrastructures (signalled paths, info points, etc.). Furthermore, specialized services needed to satisfy not only organized vacationers (individuals) but also some specific market niches (active tourists) like hiking, trekking, horse-riding or biking are totally absent.



## Research and innovation

The area is struggling towards building up efficient research and innovation systems. R&D intensity is overall growing (about 0.75% in Croatia, 2.47% in Slovenia, 1.25% in Italy, 0.60% in Greece and an average of 0.3% in IPA Partner States) but efforts are still needed to enhance R&D investment (particularly business investments, to build up capacities in key technology areas and to improve international competitiveness and trade by producing more technology-intensive goods oriented to both the domestic and foreign markets. Due to the need of opening markets to more competitive and innovative models, especially to face crisis effects, it is necessary to develop policies fostering research and innovation and give priority to investments in firms directly linked to R&I. Cooperation schemes between territorial institutions, business sector and universities, technological institutes, technological parks, research institutes need to be supported, while systemic cooperation between research and private/public companies should be reinforced. Supporting structures such as incubators and cluster systems should improve technology cooperation and know-how between SMEs. Strengthening knowledge information society and the development of ICT can also contribute to meet development objectives related to research and innovation.

The key points from the analysis of R&I and SME performance indicators are as follows:

- With the exception of Slovenia, all ADRION FERS Partner States allocate significantly lower **GDP shares to RTD (GERD)** in comparison to the EU average; similarly **business share in GERD** is less than EU average (again Slovenia is closer to EU standards); similarly, IPA Partner States have a very low GERD.
- **Patent applications** rates are low in Greece, Croatia, Serbia and Albania; Italy and Slovenia perform better but still much below the EU standards;
- Greece and Croatia are below EU average levels with regards to the **employment in high-technology sectors**; Italy and especially Slovenia perform better (the latter above EU average);
- All ADRION ERDF Partner States present EU average indices relevant to **employment in knowledge-intensive services**;
- Slovenia's **SME competitiveness performance** is comparable to EU average; Italy and Greece lag behind (the latter by far);
- Greece and Croatia present significantly lower **employment rates**; Italy and primarily Slovenia present EU average comparable rates; **unemployment rates** in Croatia and especially Greece are well above EU average;
- **Investments** in Greece are below EU average; Slovenia, Croatia and Italy perform better;
- Slovenia's workforce is directed towards **industry, ICT and financial services**; Italy and Croatia follow this pattern at a EU average level; Greece's workforce is less employed in these sectors;
- **Slovenian regions** are characterized as "advanced manufacturing regions" and "technologically-advanced regions" and "scientific regions";
- **Italian ADRION eligible regions** have more diverse 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");
- **Greek regions** are characterized as "low tech"; "regions with no specialization in knowledge activities" and "non-interactive regions"; however some of them seem to be in the process of diversifying their production model ("smart and creative diversification area").

## *EUSAIR Governance*

Specific attention has been paid to the needs analysis delivered by the European Commission in the framework of the elaboration of the EUSAIR Strategy in terms of the governance system to be adopted for the EUSAIR implementation. The stakeholders' needs analysis<sup>2</sup> was based on the results of the public consultation and workshops organised since 2013. Some key findings are summarised here below:

- The role of **National coordinators** as “initiators” of operational actions should be reinforced;
- The **involvement of stakeholders** needs to be institutionalised in order to ensure subsidiarity to the Strategy. The creation of a permanent forum (virtual or physical) should be taken into account and will serve as a collector of civil society needs and will put them to the attention of the decision-makers;
- **Communication actions** need to be strengthened and should be a clear part of the overall governance. Communication should be addressed to increase the level of involvement of all stakeholders, but also to duly promote the Strategy as a useful cooperation tool;

Finally, from a general perspective and outside the scope of the EUSAIR governance, **coordination between all strategies** (especially macro-regional) should be envisaged.

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<sup>2</sup>Studies to support the development of sea basin cooperation in the Mediterranean, Adriatic/Ionian and the Black Sea, Contract Number MARE/2012/07 - Ref. No 2, Report n.2, December 2013 (EUNETMAR).

SWOT analysis of the ADRION area

Smart growth

	Strengths	Weaknesses	Opportunities	Threats
<b>Research, technological development and innovation</b>	<ul style="list-style-type: none"> <li>○ Some regions leaders in R&amp;D - Some high skill industrial sectors (agriculture, agribusiness, chemicals, materials...)</li> <li>○ Relatively well developed research facilities in some countries</li> <li>○ Well developed innovative activities and practices in the area of cultural and creative industries</li> <li>○ Good systems of product quality certification, good facilities and labs with international accreditation</li> </ul>	<ul style="list-style-type: none"> <li>○ Low investment in R&amp;D</li> <li>○ Low proportion of research personnel in companies</li> <li>○ Low number of patent applications to be commercialised</li> <li>○ Poor Intellectual Property protection also in relation to academia and enterprises</li> <li>○ Weak technology transfer activities and limited cooperation of science &amp; technology parks, incubators and clusters</li> <li>○ Innovation models more based on diversification than breakthrough innovation</li> <li>○ Full potential of culture and creative industries not yet realised</li> <li>○ No specific regulations in the field of venture capital/private equity funds in some countries</li> <li>○ Declining urban areas as poles for innovation</li> <li>○ Low entrepreneurial skills and low knowledge about innovation</li> </ul>	<ul style="list-style-type: none"> <li>○ Rising investments in R&amp;D</li> <li>○ Slight increase of patent applications over the last years</li> <li>○ R&amp;D specialisations in agribusiness, maritime and tourism</li> <li>○ Transfer research from universities/laboratories to private sector</li> <li>○ Increasing skills in research through financial support and training opportunities in the field of enterprise creation, technology transfer, organizational and management innovation</li> <li>○ A diverse and networked innovation community (clusters, science &amp; technology parks and incubators)</li> <li>○ Social and open innovation as potential</li> <li>○ Research activities and innovative products in the area of sustainable building industry and creative industries</li> </ul>	<ul style="list-style-type: none"> <li>○ Economy seriously affected by the economic and debt crisis</li> <li>○ Increasing competition from southern and eastern countries</li> <li>○ Dispersion of R&amp;D investments and absence of priorities</li> <li>○ Migration of highly skilled work force</li> <li>○ Significant differences among regions regarding R&amp;D potentials</li> </ul>
<b>Information and communication technologies</b>	<ul style="list-style-type: none"> <li>○ Widening coverage of high-speed broadband</li> <li>○ Increasing use of ICT by</li> </ul>	<ul style="list-style-type: none"> <li>○ Limited access to broadband across the whole ADRION area especially in peripheral areas</li> </ul>	<ul style="list-style-type: none"> <li>○ Development of high-speed broadband financed by other funds</li> </ul>	<ul style="list-style-type: none"> <li>○ Significant inequalities between regions and territories in term of ICT use</li> </ul>

	Strengths	Weaknesses	Opportunities	Threats
	individuals and businesses	<ul style="list-style-type: none"> <li>○ Lower ICT skills of individuals than in other EU regions</li> <li>○ Limited offers and use of online public services</li> </ul>	<ul style="list-style-type: none"> <li>○ R&amp;D sectors specialised in ICT</li> <li>○ Young generation highly IT-literate</li> <li>○ The use of ICT as enabling sector and a means to involve the citizen in the quadruple helix model (e.g. living labs)</li> </ul>	
<b>Competitiveness of SMEs</b>	<ul style="list-style-type: none"> <li>○ Appeal of the ADRION area which is essential for the tourism</li> <li>○ Highly competitive regions</li> <li>○ Positive results of policy support for businesses (business innovation and competitiveness)</li> </ul>	<ul style="list-style-type: none"> <li>○ Strong influence of traditional business (low and medium technology sectors)</li> <li>○ Incremental innovation producing limited added value in SMEs</li> <li>○ Low productivity of business</li> <li>○ Majority of SMEs poorly integrated in international networks</li> <li>○ Wide regional disparities and regions with low competitiveness</li> <li>○ Limited understanding of the importance of intellectual property</li> <li>○ Limited sectoral/ cross-sectoral specialisations</li> </ul>	<ul style="list-style-type: none"> <li>○ High business rate creation in some ADRION regions</li> <li>○ Increasing clustering of SMEs</li> </ul>	<ul style="list-style-type: none"> <li>○ Serious recession in the majority of ADRION regions</li> <li>○ Difficulties of businesses to access to finance</li> </ul>

### Sustainable growth

	Strengths	Weaknesses	Opportunities	Threats
<b>Low carbon economy and energy sector</b>	<ul style="list-style-type: none"> <li>○ Favourable conditions for the production of renewable energy (climate, natural resources)</li> <li>○ Increased awareness about the need for a shift towards a low</li> </ul>	<ul style="list-style-type: none"> <li>○ Green-house gas index much higher than the EU average</li> <li>○ Insufficient development of renewable energy</li> <li>○ Relatively high degree of energy</li> </ul>	<ul style="list-style-type: none"> <li>○ Development potential for renewable energy not fully exploited</li> <li>○ ADRION countries committed to reduce GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>○ Significant increase in the cost of low carbon energy</li> </ul>

	Strengths	Weaknesses	Opportunities	Threats
	carbon economy	dependence ○ Low energy efficiency compared to the EU average		
<b>Climate change and risks</b>	○ Existence of a European framework and national policies for the reduction of CO2 emissions	○ ADRION area strongly confronted to natural risks (floods, drought, fire, storms, earthquakes) ○ Low Climate Change Adaptation Capacity ○ Low interoperability of Civil Protection organisations	○ Increasing commitment to sustainable development ○ Emergence of low-cost effective technologies for risk early warning, communication and interoperability (e.g. remote sensing) ○ Increased engagement of civil society in risk management and emergency preparedness and response	○ Increased risk of natural disasters due to the mutually reinforcing effect of hazards (e.g. climate change, floods, drought, forest fires and erosion) ○ High costs involved in repairing the damage caused by natural disasters
<b>Protection of the environment, natural and cultural heritage</b>	○ Very rich environmental and cultural heritage (sea, mountains, forests, wetlands, cultural landscapes) ○ Many protected areas (NATURA 2000 and global (UNESCO) importance)	○ Degradation of fragile areas, landscapes, notably coastal areas, eutrophication and pollution of maritime areas ○ Growing households waste production ○ Waste recycling remains lower than the EU average ○ Urban growth and sprawl stressing natural and cultural heritage ○ Low air quality and high concentrations of particulate matter, ozone, SO2 and NO2 in cities	○ Development environmental protection measures (protected areas) ○ Potential of NATURA and Emerald Networks still to be operationally fully exploited ○ Investment in air quality triggering multiple benefits as demonstrated in the Clean Air policy package (e.g. for ecosystems, tourism, cultural heritage, crop yields etc.) ○ Shift from traditional waste processing towards cleaner methods ○ Increasing awareness especially among the younger population	○ Risk of increasing environmental pollution due to increase in tourism and agriculture activities ○ Increasingly poorer air quality ○ Increasing scarcity of water resources ○ Increasing urban sprawl ○ Increasing cost of recycling and waste re-use methods due to complexity of products ○ Increased human use especially of the coastal and marine space for recreation, housing, transport and fishing/aquacultures ○ Increasing and cumulative

	Strengths	Weaknesses	Opportunities	Threats
			<ul style="list-style-type: none"> <li>○ High demand and prices might encourage re-use and renovation of existing building stock</li> <li>○ Preservation/renovation and reuse should take precedence over new construction</li> </ul>	pressure on biodiversity
<b>Transports</b>	<ul style="list-style-type: none"> <li>○ Good level of road infrastructures especially in the North-South direction in the EU Member States whereas improvements are needed in the Partner States</li> <li>○ Large network of port cities even if only some of them well equipped to deal with the flow of passengers and goods</li> <li>○ Strategic geographical location between East Europe, Mediterranean and Asia</li> </ul>	<ul style="list-style-type: none"> <li>○ High difference in terms of satisfactory accessibility; for IPA Partner States low resources allocated for the development and maintenance of railway infrastructure</li> <li>○ Geographical fragmentation and isolation of numerous territories (islands, remote areas)</li> <li>○ Badly managed urban development, notably in coastal areas relying on individual motorised traffic</li> <li>○ Lower density of the railway network than the EU average</li> <li>○ Low multimodal accessibility</li> <li>○ Insufficient development of coastal maritime traffic</li> </ul>	<ul style="list-style-type: none"> <li>○ Good position of islands and ADRION regions as hubs for tourists and trade</li> <li>○ Development of multimodal transport systems</li> <li>○ Reinforcement of existing railway network</li> <li>○ ICT tools for sustainable and efficient “real-time” multimodal transport</li> </ul>	<ul style="list-style-type: none"> <li>○ Lack of European coordination of the communication system</li> <li>○ Fragmentation of the transport landscape depending on the EU accession process of the Partner States</li> <li>○ Dominance of the road-bound transport</li> </ul>

### Inclusive growth

	Strengths	Weaknesses	Opportunities	Threats
<b>Employment and labour mobility</b>	<ul style="list-style-type: none"> <li>○ High level mobility of students</li> <li>○ High number of self-employed</li> <li>○ Culture of labour mobility</li> </ul>	<ul style="list-style-type: none"> <li>○ Low employment level, especially for young people and women</li> <li>○ High territorial disparities for unemployment levels</li> <li>○ High long term unemployment rate</li> </ul>	<ul style="list-style-type: none"> <li>○ Simplified labour mobility within and between ADRION States</li> <li>○ Opportunities offered by Blue Growth and tourism for local employment</li> </ul>	<ul style="list-style-type: none"> <li>○ Consequences of the financial crisis</li> <li>○ Strong increase of the unemployment rate with the economic crisis</li> <li>○ Drain of human resources,</li> </ul>

				notably young people towards other EU countries
<b>Social inclusion and fight against poverty</b>	<ul style="list-style-type: none"> <li>○ Traditional intergenerational solidarity</li> <li>○ Important role played by the social and solidarity economy</li> </ul>	<ul style="list-style-type: none"> <li>○ A large percentage of the population at risk of poverty and social exclusion</li> <li>○ Retreat of state social security systems either due to the crisis (EL, IT) or due to a paradigm shift (especially non-Member States)</li> </ul>	<ul style="list-style-type: none"> <li>○ Increasing importance of emerging non-formal social networks</li> <li>○ Emerging paradigm of social innovation and social society activation</li> <li>○ Opportunities for endogenous development (blue and green growth and tourism)</li> </ul>	<ul style="list-style-type: none"> <li>○ Alarming human and social effects of the crisis and disintegration of the social fabric</li> <li>○ Weakened social and family ties</li> <li>○ Erecting of obstacles and barriers to the just participation to the exploitation of the opportunities (legal barriers, financial obstacles) which can lead to the accentuation of the disparities in the society</li> </ul>
<b>Skills and education</b>	<ul style="list-style-type: none"> <li>○ Higher education culturally praised</li> <li>○ Full range of high quality and free training</li> <li>○ Good choice of professional training</li> <li>○ Rich traditional knowledge and skills</li> </ul>	<ul style="list-style-type: none"> <li>○ High level of early school leavers compared to the EU average</li> <li>○ Higher education institutes ranking rather low globally with a few exceptions (e.g. Athens, Milano etc.)</li> <li>○ Mismatch between education supply and SMEs demand</li> </ul>	<ul style="list-style-type: none"> <li>○ Progressive decrease in the rate of early school leavers</li> <li>○ Increasing recognition of the importance of skills assessment systems</li> <li>○ Skill training in traditional arts, crafts, music, and other specific/traditional products and services (intangible cultural heritage)</li> </ul>	<ul style="list-style-type: none"> <li>○ Brain drain</li> <li>○ Poor tendency of SMEs to invest in vocational and dual training</li> </ul>

## Summary of the main challenges and needs of the ADRION are

	Main challenges	Main needs
<b>Smart growth</b>	<ul style="list-style-type: none"> <li>○ Catch-up with the EU average and achieve the EU2020 Objectives</li> <li>○ Pooling existing and planned research infrastructures into distributed partner facilities</li> <li>○ Provide the transnational setting and facilitate the implementation of the EUSAIR Action Plan (innovation and research dimension is mainly related to Pillar 1 and 3)</li> <li>○ Sustainably exploit the opportunities derived by the Blue and Green Growth approaches related to the comparative advantages of the area</li> <li>○ Development of ADRION innovation communities and chains in relation to the innovation status of each region (from “low tech” to “market leader especially in the context of new innovation areas and approaches</li> <li>○ Exploitation of the baseline provided by the Research and Innovation Strategies for Smart Specialisation (RIS3) developed in the FERS Partner States and identification of smart specialisation topics and synergies with the IPA Partner States</li> </ul>	<ul style="list-style-type: none"> <li>○ Increased adoption of innovation and technologies by SMEs: the tackling of this need is in line with ADRION objective of promoting business investment in R&amp;I</li> <li>○ Increased cooperation between research and industry; in line with ADRION objective of developing links and synergies between enterprises, research institutions and higher education, and supporting networking, science &amp; technology parks and incubators, clusters and open innovation</li> <li>○ Need to focus on food security issues</li> <li>○ Commercialisation/utilisation of research (innovation); in line with ADRION objective of supporting product and service development as well as in line with RIS3; technological and applied research, pilot lines, early product validation actions</li> <li>○ Development of smart specialisation strategies and examination of synergies among the various countries and regions; in line with ADRION objective on the use of RIS3 results</li> <li>○ More emphasis on new innovation areas and approaches (Eco Innovation; Public Procurement for Innovation; Creative Industry; Service Industry and Social and Open Innovation, Procurement and Social Innovation); in line with ADRION objective to exploit social innovation, eco-innovation, public service applications and other new innovation support measures</li> <li>○ Exchange of best practice of public administration technologies in e-governance</li> <li>○ Innovation management support (IP advise, tech- transfer, prototyping, demonstrators, etc.); in line with ADRION objective of supporting product and service development; technological and applied research, pilot lines, early product validation actions</li> <li>○ Development of technology transfer activities in some countries of ADRION area as well as increasing the investment readiness of entrepreneurs</li> </ul>
<b>Sustainable growth</b>	<ul style="list-style-type: none"> <li>○ Bring new topics in the agenda of the ADRION regions acting as a foresight and demonstration platform, thus increasing awareness, e.g. on the non-technical framework conditions for RES?? or the sustainable valorisation of the heritage</li> </ul>	<ul style="list-style-type: none"> <li>○ Need to turn towards a post fossil (biopolymer) and low carbon economy allowing the FERS Partner States to further focus on the decoupling of their economies, while assisting the IPA Partner States to master the transition of their economies in that direction</li> </ul>



	Main challenges	Main needs
	<ul style="list-style-type: none"> <li>○ Identify a common denominator for the exchange of experience in the first place e.g. related to the need to address human pressures on the environment in relation to the maritime ecosystems</li> <li>○ Develop transnational tools in tackling concrete aspects in the Programme area level where transnational cooperation is a multiplier of force e.g. related to environmental vulnerability, fragmentation of habitats and landscapes, risk management, land uses and resources consumption, etc.</li> <li>○ Introduce, test and evaluate innovative concepts, e.g. on ecosystem services, Blue and Green Growth in the praxis of development and cohesion policy, thus facilitating the achievement of EU standards and in general increasing good governance potentials also in the context of the EUSAIR</li> <li>○ Support the diversification and specialization of the territorial and accommodation offer</li> <li>○ Raise the market trends knowledge and marketing ability of the local tourism SME's</li> <li>○ Exploit the potentials of natural and cultural heritage as a development asset</li> <li>○ Better integrate among tourism development planning, environmental objectives and environmental goods management system</li> <li>○ Optimize the multimodal transport chain towards greener and safer transport dynamics and the efficiency of transport infrastructures by the use of information systems and market-based incentives</li> <li>○ Promote the creation of logistic systems through the implementation of integrated, interconnected and homogeneous terminal networks for logistics</li> <li>○ Tackle the weak interconnection between ports and inland intermodal and logistics nodes (intermodal: water-rail, rail-road)</li> <li>○ Manage the tourists seasonal peaks to avoid congestion by providing a more integrated mobility supply thanks to ICT – ITS innovative tools</li> </ul>	<ul style="list-style-type: none"> <li>○ Need to diversify the renewable energy resources potential and to enhance local approaches</li> <li>○ Need to conciliate energy production with aims of protecting nature, landscape and biodiversity, with touristic interests and the various interests of local residents</li> <li>○ Need to mobilise the cultural landscape and the richness of biodiversity as key assets of the area providing high quality of life and global attractiveness</li> <li>○ Need to manage the high environmental vulnerability</li> <li>○ Need to effectively manage and protect biological diversity, genetic resources, species, and ecosystems at a transnational level</li> <li>○ Need to manage increased land and resources consumption</li> <li>○ Need to reduce environmental risk by cutting emissions from vessels at sea or in port and of port infrastructure (e.g. Non Road Mobile Machinery) in line with the EUSAIR</li> <li>○ Need to integrate ecosystem services, Blue and Green Growth principles in regional development planning and establish sustainable valorisation of natural and cultural assets as growth assets</li> <li>○ Need to elaborate common indicators and statistics to measure tourism demand and offer</li> <li>○ Need to share commons tools to measure environmental impact of tourism activities (water, soil, waste)</li> <li>○ Need to strengthen administrative capacity especially in the areas of maritime, inland-water transport and logistics</li> <li>○ Need to share methodologies for collecting data and common indicators to monitor transport and accessibility conditions</li> <li>○ Need to simplify maritime transport procedures and to harmonize inland national transport legislations (border cross improvement)</li> <li>○ Need to improve the port greening (monitoring system for the quality of emissions by shipping activities, adoption of common quality standards etc.)</li> </ul>

	<b>Main challenges</b>	<b>Main needs</b>
	<p>extended to the Adriatic region</p> <ul style="list-style-type: none"> <li>○ Reinforcing the interconnection among the ADRION airports</li> </ul>	
<b>Inclusive growth</b>	<ul style="list-style-type: none"> <li>○ Anticipate consequences of demographic change on economy, employment and quality of life (ageing population)</li> <li>○ Acknowledge increasing difficulties for the socioeconomic inclusion of young people, in particular in time of crisis</li> <li>○ Allow all parts of society to participate in the exploitation of the opportunities and the allocation of the rewards</li> </ul>	<ul style="list-style-type: none"> <li>○ Need to better promote social innovation in connection with key socioeconomic sectors (agro-food, tourism, energy, transports, culture)</li> <li>○ Need to better take into account socioeconomic issues and the needs of end users in the conception and implementation of sustainable development policies (environment, energy, transports)</li> </ul>

## ***Strategy of the transnational ADRION programme***

### *Overall objective of the Programme*

The overall Programme strategy is formulated in direct response to the EU2020 strategy of smart, sustainable and inclusive growth and its further revisions. Smart growth means improving the EU's performance in education, research/innovation and digital society. Sustainable growth means building a more competitive low-carbon economy that makes efficient, sustainable use of resources. Inclusive growth means raising Europe's employment rate – more and better jobs, especially for women, young people and older workers, helping people of all ages to raise the employment rate. Within the EU2020 Strategy the EU has set ambitious objectives to be reached by 2020 in five main areas:

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

In order to reach the envisaged EU2020 targets, all European regions must be actively involved. In this context, the Common Strategic Framework (CSF) of the EU cohesion policy (Article 10 and Annex I of the Regulation (EU) No 1303/2013) provides the necessary investment framework and delivery system.

The overall objective of the ADRION Programme is to act as a policy driver and governance innovator fostering the European integration among FERS and IPA Partner States, taking advantage from the rich natural, cultural and human resources surrounding the Adriatic and Ionian seas and enhancing economic, social and territorial cohesion in the Programme area.

The European Commission in its Regulation No 1299/2013 defines in the preamble that *“transnational cooperation should aim to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union's cohesion policy priorities”*.

For smart growth, the ADRION Programme will give special attention to the promotion of innovation in a number of fields (e.g. Blue and Green Growth, energy, transport, tourism), which outline important competitive advantages of the area. It will support partnerships in order to strengthen clusters, networks, economic sectors, value chains, and increase the interaction among stakeholders in the Partner States.

Concerning sustainable growth, taking into account the pressure observed in urban, lowlands and coastal Adriatic and Ionian areas, the ADRION Programme will seek to conciliate the demand and pressure of different uses, promote low input/low emissions activities, exploit in a sustainable way renewable resources, reduce the impact of human activities on natural resources, and improve the protection of maritime and terrestrial biodiversity and habitats. In these fields, specific attention will be paid to the coordination with EU national and regional programmes in order to use existing inputs and disseminate the results of ADRION projects. In that respect, partners of transnational projects will have to be aware of regional needs and propose ways to disseminate their results towards regional mainstream programmes. Key in this aspect is the preparation of the ground through transnational actions, especially in areas where transnational cooperation is absolutely necessary, as is the case of semi-closed sea interventions. In this respect, Maritime Spatial Planning, Integrated Coastal Zone Management, maritime safety, transport, energy or pollution of the Adriatic and Ionian Seas in conjunction to the EU Marine Strategy Framework Directive and the principles of UNEP MAP and the Barcelona Convention can play a significant role.

The ADRION Programme addresses inclusive growth through the valorisation of competitive advantages and the creation of employment opportunities along with the enhancement of connectivity options and the protection of public environmental goods.

Among the Seven Flagship Initiatives identified by the EU2020 strategy, the ADRION Programme objectives will be aligned with the Innovation Union to improve framework conditions for research and innovation, to the Resource Efficient Europe to help decoupling economic growth from the use of resources.

Transnational cooperation is nevertheless characterised by some inherent challenges, which can be summarised as:

- Coverage of large areas with a high diversity of regions and often conflicting interests;
- Limited budgets in relation to the covered area, population and time frame, which often contradict the scope and objectives of cooperation initiatives;
- Delivering mainly intangible results.

In the case of the ADRION Programme, it has also to address the political dimension of the integration of the Western Balkans to the EU.

For these reasons, and because of the novelty of the programme, ADRION will:

- Focus on a limited number of TOs,
- Give emphasis on the formation of partnerships supporting the integration of all Partner States,
- Fully optimise synergies and complementarities among selected TOs, align them to the pillars of the EUSAIR and mobilise follow-up activities implemented under the ADRION label.

Furthermore, the territorial needs and challenges surrounding the transnational Programme area will be taken into account.

The objective shall be to better identify development potential and bottlenecks in specific sectors (innovation, environment, tourism, accessibility and the interconnections among them) at transnational level, to support stakeholders promoting novel approaches and sharing knowledge.

ADRION Monitoring Committee decided to allocate more resources to Priority Axis 1 to fund an additional project aimed at implementing resilient measures in relation to the pandemic crisis.

#### *Type of contribution expected from the ADRION Programme*

As a transnational cooperation programme, its main contribution will be to exchange and transfer experiences between regions, support transnational interventions and capacity building, and ensure that results are disseminated and used beyond project partners reaching a large number of end-users.

The programme will especially support the constitution of multilevel and intersectoral working teams and partnerships to overcome administrative and sectoral bottlenecks, with the involvement of citizens, and local/regional/ national/international bodies. At territorial level, a key issue will be to reduce conflicts of land use that constitute one main aspect of sustainable development strategies (promotion of renewable energy, protection of natural and cultural heritage, reduction of carbon emissions, etc.).

Among the framework conditions for the implementation of actions, stakeholders must bear in mind that projects are not aimed to answer to the needs of a limited number of partners, but to contribute to better living conditions in ADRION territories (economic activities, quality of the environment, safety, etc.), thus focusing more on activities and results.

From the action and output point of view, taking into account its strategy, the ADRION Programme is mainly delivering:

- Networking structures;
- Joint management systems and cooperation agreements;
- Strategies and action plans;
- Methodologies and tools; and
- Pilot actions.

As a transnational cooperation programme, the ADRION Programme will neither support heavy investments, development of large infrastructures nor scientific and technology research as such. Investments in small scales facilities or infrastructures might be supported in duly justified cases in the case of pilot projects and territorial experiences. The ADRION Programme shall support in particular intangible or “soft” actions which could potentially have a long term effect and contribute to the visibility to the Programme (studies and research, networking, dissemination of knowledge and data, etc.).

Regarding implementation of actions, there is a clear distinction between “beneficiaries” and “target groups” or “end-users”. In the context of the Programme, beneficiaries are bodies and organisations, which will be directly involved in the projects funded by the Programme and will be the ones to conceive, discuss and develop the deliverables described above. “Target groups” or “end-users” are bodies, groups and individuals who will use the outputs of the projects or will experience a change in their activities and lives because of the Programme outputs.

#### *Selected Thematic Objectives, Investment Priorities and Specific Objectives*

For each TO, a set of specific Investment Priorities (IP) is pre-defined reflecting the challenges ADRION regions are facing.

The cornerstone for the selection of the TOs and IPs are:

- The diagnosis and needs identified for the ADRION area;
- The lessons learnt from the period 2007-2013;
- The application of thematic concentration on a small number of priorities as stipulated in the ETC regulation;
- The complementarity with the EUSAIR and other EU Macro-regional strategies, regional and thematic programmes;
- The specificities of transnational cooperation programmes.

For the ADRION Programme the following four (4) TOs and five (5) IPs have been selected:

#### **Priority Axis 1: Innovative and Smart Region**

**TO 1:** Strengthening research, technological development and innovation by:

**IP 1b:** Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation (...);

**SO 1.1:** *Support the development of a regional Innovation system for the Adriatic-Ionian area”.*

#### **Priority Axis 2: Sustainable region**

**TO 6:** Preserving and protecting the environment and promoting resource efficiency by:

**IP 6c:** Conserving, protecting, promoting and developing natural and cultural heritage;

**SO 2.1:** *Promote the sustainable valorisation and preservation of natural and cultural assets as growth assets in the Adriatic-Ionian area;*

**IP 6d:** Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure;

**SO 2.2:** *Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation and the safeguarding of ecosystem services in the Adriatic-Ionian area.*

#### **Priority Axis 3: Connected region**

**TO 7:** Promoting sustainable transport and removing bottlenecks in key network infrastructures by:

**IP 7c:** Developing and improving environmental-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

**SO 3.1:** *Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area.*

#### **Priority Axis 4: "Supporting the governance of the EUSAIR"**

**TO 11:** [article 7 (b) Regulation (EU) No 1299/2013] Enhancing institutional capacity of public authorities and stakeholders and efficient public administration [...];

**IP 11:** Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies;

**SO 4.1:** *Facilitate the coordination and implementation of the EUSAIR by enhancing institutional capacity of public administrations and key stakeholders and by assisting the progress of implementation of joint priorities.*

Detailed information on the SOs is provided in Section 2.

#### *Horizontal dimensions*

In addition to the thematic orientation, the ADRION Programme addresses horizontal thematic aspects highlighted in EU regulations: sustainable development, equal opportunities and non-discrimination, equality between men and women. These horizontal principles are further developed in Section 8.

Furthermore, specific issues will be addressed in a cross-cutting way in the different IPs contributing to the overall objectives of the programme:

#### *Information and Communication Technologies*

The development of ICT products, services and applications constitute a relevant support for socioeconomic development, governance, networking, etc. As a tool, ICT can be used in a transversal way to reach the objectives of several IPs.

#### *Social cohesion and social innovation*

In different fields of intervention, attention will be paid to projects involving partners or taking measures that have positive effects on social cohesion. This is especially the case when involving social enterprises or when implementing actions aimed at improving the conditions of vulnerable groups (confronted with economic and social integration difficulties).

#### *Data and knowledge management*

Each project and each project partner must make available for the public the data used for the projects or generated by the project in order to enhance the dissemination of experiences and results. Projects are encouraged to deliver datasets in line with the “open data by default” principle to improve the diffusion and reuse of data between public institutions, partners and a wider public.

#### *Territorial and eco-systemic approach*

In each targeted territory (urban, coastal, islands and remote areas), projects will have to involve relevant stakeholders of sectors and institutions from the project intervention field. Approaches must be ‘integrated’ or ‘eco-systemic’, so that the result would not be isolated proposals working on limited aspects of tourism, energy or transports for example, but a coordination effort insisting on the contribution of these domains to the sustainable development of territories (taking into account available means, economic perspectives, on-going public policies, conflict of use, environmental constraints, etc.).

Partners will have to explore how to make relevant actors from environment protection, tourism, transport, etc. work together. With this approach, transnational cooperation will contribute to develop strategic planning aspects.

1.1.1 *Justification for the choice of thematic objectives and corresponding investment priorities, having regard to the Common Strategic Framework, 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: A synthetic overview of the justification for the selection of Thematic Objectives and Investment Priorities**

Selected Thematic Objective	Selected Investment Priority	Justification for selection
<p><b>TO 1</b></p> <p>Strengthening research, technological development and innovation (...)</p>	<p><b>IP 1b</b></p> <p>Promoting business investment in innovation and research and developing links and synergies between enterprises, research institutions and higher education (...)</p>	<ul style="list-style-type: none"> <li>○ Need to improve innovation capacities, competitiveness and internationalisation of SMEs confronted with international competition in some key sectors such as tourism, agribusiness, creative industries, fisheries, energy</li> <li>○ Need to improve innovation capacities through a more efficient joint use of research infrastructure and knowledge/competencies for better international cooperation between business, research and education</li> <li>○ Need to improve cooperation between actors of the quadruple helix, especially between research and businesses enterprises, R&amp;D centres and higher education; and support networking, clusters and open innovation</li> <li>○ Need to support new innovation areas and approaches (eco innovation; public procurement for innovation; creative industry; service industry and social innovation)</li> <li>○ Need to develop smart specialisation strategies by the use of RIS3 results</li> <li>○ Need to promote the Innovation management support (intellectual property advising, technology transfer, prototyping, demonstrators, etc.)</li> </ul>
<p><b>TO 6</b></p> <p>Protecting the environment and promoting resource efficiency</p>	<p><b>IP 6c</b></p> <p>Conserving, protecting, promoting and developing natural and cultural heritage</p>	<ul style="list-style-type: none"> <li>○ High cultural and environmental resources in ADRION regions threatened by human activities and environmental changes (especially climate change)</li> <li>○ Full potential of natural and cultural heritage as development assets not exploited yet</li> <li>○ High pressure of tourism activities and urbanisation, especially on coastal ADRION (sustainable tourism)</li> <li>○ Increased pressure on water resources from a quantitative and qualitative point of view</li> </ul>
	<p><b>IP 6d</b></p> <p>Protecting and restoring biodiversity, soil protection and restoration and promoting ecosystem services including NATURA</p>	<ul style="list-style-type: none"> <li>○ Pressure on the biodiversity and development of invasive species</li> <li>○ Pressure on water quality with direct consequences on the biodiversity</li> <li>○ Crucial role of the environment in the attractiveness and economic development of ADRION</li> </ul>



Selected Thematic Objective	Selected Investment Priority	Justification for selection
	2000 and green infrastructures	<p>regions</p> <ul style="list-style-type: none"> <li>○ Need to tackle environmental vulnerability, improve risk management capacity, support the optimal use of land and resource consumption etc.</li> </ul>
<p><b>TO 7</b></p> <p>Promoting sustainable transport and removing bottlenecks in key network infrastructures</p>	<p><b>IP 7c</b></p> <p>Developing and improving environment-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</p>	<ul style="list-style-type: none"> <li>○ Need to reduce the environmental impact of transport by increasing multimodality and shift to more appropriate and environmental-friendly modes of transport</li> <li>○ Need to improve the border cross point transit for all non EU borders where administrative and organization bottlenecks produce substantial delays in scheduling travel</li> <li>○ Need to invest on ICT management for all freight transport activities</li> <li>○ Need to enhance the water –rail intermodal platform both for maritime ports and inland waterway port</li> <li>○ Need to reinforce the ICT application for making open and easier the access to info transport and implement all the intermodal opportunities for the passengers mobility</li> <li>○ Use of renewable energies lower than the EU average</li> </ul>
<p><b>TO 11</b></p> <p>Enhancing institutional capacity of public authorities and stakeholders and efficient public administration</p>	<p><b>IP 11</b> [art. 7 (b) Reg. (EU) 1299/2013]</p> <p>Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies</p>	<ul style="list-style-type: none"> <li>○ Need to ensure a good governance of the EUSAIR</li> <li>○ Need to put in place good and stable governance mechanisms and support to national coordinators</li> <li>○ Need to ensure involvement of key stakeholders (national, regional, local) in capacity building for the strategy implementation</li> <li>○ Need to strengthen the capacity for territorial analysis on the basis of harmonised data collection</li> <li>○ Need to support project ideas to become mature transnational projects</li> <li>○ Need for identification and coordination of all possible funding sources<sup>3</sup> for joint projects, as the stakeholders tend to lack knowledge about different funding sources</li> <li>○ Need for coordination with other existing and future macro regional strategies</li> </ul>

<sup>3</sup>All ESIF programmes including ETC, Cohesion Fund, IPA, sectoral programmes of the EU (Horizon 2020), LIFE, COSME, Connecting Europe Facility, national-regional programmes, international financing institutions (EIB, Western Balkan Investment Framework (WBIF) etc.), banks, private financiers, donors, etc.

### ***Justification of the financial allocation***

The overall Programme budget amounts to EUR 117.918.198 including European Regional Development Fund (ERDF) - EUR 83.467.729 -, the Instrument for Pre-Accession Assistance (IPA II) - EUR 15.688.887 - and national contributions - EUR 18.761.582.

as described in Section 3.

The financial allocation to the selected TOs reflect:

- The estimated financial size of the projects foreseen in each Priority Axis (PA) axis based on the experience of the 2007-2013 period;
- The coherence with the needs of the Partner States;
- The opinions expressed during the consultation rounds; and
- Last, but not least, the expression of the strategic choices of the ADRION stakeholders.

When estimating financial allocations per TO, an average budget of 2 MEUR per operation was assumed. The financial allocation per PA is as follows:

- PA 1 (TO 1): the planned budget allocation (Union funds) to PA 1 is EUR 20.420.452 corresponding to 21% of the total. The financial allocation to this Priority is in line with the emphasis placed on innovation, technology transfer and entrepreneurship by all ERDF and IPA Partner States, the orientation of the EUSAIR and the consultations undertaken during the programming process.
- PA 2 (TO 6): the planned budget allocation (Union funds) to PA 2 is EUR 44.944.493, corresponding to 45% of the total. This financial allocation reflects the expected size of actions relating to the valorisation of cultural and natural heritage and the needs for increasing awareness, harmonising management approaches, facilitating knowledge transfer and fostering shared potentials and responsibilities in the field of environmental protection and risk management.
- PA 3 (TO 7): the planned budget allocation (Union funds) to PA 4 is EUR 17.507.163, corresponding to 18% of the total. The financial allocation to this Priority is in line with the emphasis placed on connectivity, efficient and environmental friendly mobility and transport within all Partner States as a prerequisite for all EUSAIR pillars. It also reflects the relative low demand in this thematic orientation expressed both during the 2007-2013 period and the current programming consultations.
- PA 4 (TO 11): the planned budget allocation (Union funds) to PA 4 is EUR 9.775.995, corresponding to 10% of the total. It derives from the need to address governance challenges and development in the ADRION area by investing in multilevel and multi-country governance in the tasks, approaches, services and processes of public administrations and key stakeholders in the context of the implementation of the EUSAIR.

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

Priority axis	ERDF support (EUR)	Proportion of the total Union support to the cooperation programme (by Fund) <sup>4</sup>			Thematic Objective <sup>5</sup>	Investment priorities <sup>6</sup>	Specific Objectives	Result indicators corresponding to the Specific Objective
		ERDF	ENI (where applicable)	IPA (where applicable)				
1.	17.104.594	20%		21%	1. Strengthening research, technological development and innovation	<b>IP 1.b</b> Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education (...)	Support the development of a regional innovation system for the Adriatic-Ionian area	Level of capacity of key innovation actors to be effectively involved in transnational actions for the development of a regional Innovation system
2.	37.984.108	46%		44%	6. Preserving and protecting the environment and promoting resource efficiency	<b>IP 6.c</b> Conserving, protecting, promoting and developing natural and cultural heritage	Promote the sustainable valorisation and preservation of natural and cultural heritage as growth assets in the Adriatic-Ionian area	Level of capacity for the stakeholders in the fields of natural and cultural heritage protection and tourism to sustainably valorise natural and cultural heritage as a growth asset.
						<b>IP 6.d</b> Protecting and restoring biodiversity and soil and promoting ecosystem services through Natura2000,	Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation, and the safeguarding of ecosystem services in	Level of capacity of the involved organisations to operate transnational, providing service and management regarding environmental vulnerability, fragmentation, and the

<sup>4</sup> Presentation of the shares corresponding to ENI and IPA amounts depends on management option chosen.

<sup>5</sup> Title of the thematic objective, not applicable to technical assistance.

<sup>6</sup> Title of the investment priority, not applicable to technical assistance.

						and green infrastructures	the Adriatic-Ionian area	safeguarding of ecosystems' services
<b>3</b>	15.024.191	18%		16%	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	<b>IP 7.c</b> Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area	Level of capacity of organisations in the field of transport and mobility to transnationally plan and implement sustainable and multimodal transport and mobility solutions
<b>4.</b>	8.346.773	10%		9%	11. Enhancing institutional capacity of public authorities and stakeholders (...)	<b>IP 11 art. 7 (b) Reg. No 1299/2013</b> Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies	Facilitate the coordination in implementing the EUSAIR by enhancing institutional capacity of public administrations and key stakeholders and by assisting the progress of implementation of joint priorities	The status of management capacities of EUSAIR governance structures to effectively implement the EUSAIR and its Action plan, achieving their objectives and targets
<b>Technical Assistance</b>	5.008.063	6%		10%	na	na	na	na

## SECTION 2. PRIORITY AXES

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

### *Section 2.A. Description of the priority axes other than technical assistance*

(Reference: point (b) of Article 8(2) of the ETC Regulation)

#### *2.A.1. Priority Axis 1*

<b>ID</b>	<b>PRIORITY AXIS 1</b>
<b>Title</b>	<b>Innovative and smart region</b>

- 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 through community-led local development

#### *2.A.2. Justification for the establishment of a priority axis covering more than one thematic objective*

(Reference: Article 8(1) of the ETC Regulation)

Not applicable

#### *2.A.3. Fund and calculation basis for the Union support*

<b>Fund</b>	<b>ERDF+ IPA</b>
<b>Calculation Basis</b> ( <i>total eligible expenditure</i> )	EUR 20.420.452

2.A.4. Investment priority 1.b

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

INVESTMENT PRIORITY 1.b
<p><b>Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies</b></p>

2.A.5. Specific objective corresponding to the investment priority and expected results

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

ID	1.1
Specific Objective	<p><b>Support the development of a regional Innovation system for the Adriatic-Ionian area</b></p>
<p><b>Expected results</b> 3500 char. max.</p>	<p>The ADRION area is characterised by low innovation performance (innovation models more based on diversification than breakthrough innovation), limited capacity of SMEs, inadequate cooperation among companies, research centres and public agencies, absence of support schemes and seed capital, obsolete technological applications, lack of focus on specific issues which can be of competitive advantage to the area (e.g. blue growth), limited sectoral/cross-sectoral specialisations, absence of high-value added services, inadequate understanding of the importance of intellectual property, etc.</p> <p>On the other hand there are a number of competitive and highly active research and innovation clusters, albeit with poor intraregional joint activities especially in the East-West Axis. A further strong point is the existence of RIS3. These offer the possibility of thematic focus on the one side and the delivery of a process blueprint on the other, especially for the IPA Partner States. However innovation governance at transnational level remains weak.</p> <p>In the context of the above, the region has a series of common fields of interest, where transnational cooperation can focus on, in order to develop a critical mass. Indicative areas are:</p> <ul style="list-style-type: none"> <li>○ Traditional sectors, such as vessel construction, logistics and fisheries;</li> <li>○ Emerging sectors, such as blue technologies including maritime biotechnology and aquaculture, robotics, materials, monitoring of the sea, on green sea mobility, deep sea resources, biosecurity and biotechnologies etc.;</li> <li>○ Environmental and energy technologies (“clean-tech” and “environ-tech”, RES, e-services);</li> <li>○ Tourism, nature and cultural heritage (product and process innovations, sustainable tourist flow management, applications for</li> </ul>

	<p>potential and current visitors, creative industries, social innovation, traditional knowledge in skills);</p> <ul style="list-style-type: none"><li>○ E-governance and e-tools for management, procurement and services to the citizens.</li></ul> <p><b>The expected results can be seen in:</b></p> <ul style="list-style-type: none"><li>○ Common understanding among ADRION Partner States on the potential fields of transnational innovation actions and fostering diffusion and uptake of innovation;</li><li>○ Enhancement of the competencies/skills of the stakeholders and involved parties;</li><li>○ Improvement of the framework conditions (awareness and foresight, legal, economic aspects, innovation governance, organisational issues, policy solutions, technology impact assessments);</li><li>○ Mobilisation of stakeholders in the fields of research, innovation and utilisation in order to increase knowledge transfer between business, users, academia and administration actors (quadruple helix approach);</li><li>○ Identification of emerging market opportunities in relation to the programme area competitive advantages, the fields of the EUSAIR and the smart specialisation strategies of the regions in order to develop an ADRION “critical mass”;</li><li>○ Better coordinated innovation policies and strategies e.g. at the RIS level.</li></ul>
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**Table 3: Programme specific result indicators (by specific objective)**

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

*One (if possible) and no more than two result indicators should be used for each specific objective.*

ID	Result Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>7</sup> (2023) <i>100 char. Max</i>	Source of Data <i>200 char. max</i>	Frequency of reporting <i>100 char. max</i>
1b.1	Level of capacity of key innovation actors to be effectively involved in transnational actions for the development of a regional Innovation system	%	60,19%	2014	Increase	Survey	2018 2020 2023

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<sup>7</sup>Target values can be qualitative or quantitative



2.A.6.Actions to be supported under the investment priority

**2.A.6.1 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)

<b>Investment Priority1.b</b>	<b>Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector (...)</b>
<p><b>Indicative actions to be supported are:</b></p> <ul style="list-style-type: none"> <li>○ Establishment of transnational innovation networks in order to visualise possible options for cooperation in the ADRION area, identify relevant sectors of common interest, map existing research and innovation resources, and secure coordination with the EUSAIR, regional and national RIS3 strategies, innovation governance initiatives and competence networks;</li> <li>○ Analysis of the framework conditions for innovation (legal, financial, administrative, technical, social, cultural and environmental) in order to define the “feasible domain” for innovation in the ADRION area;</li> <li>○ Development of framework structures related to the consultation on legal, intellectual property, technical and financial issues and provision of related services especially for SMEs (including start-ups, spin-offs, collaborations), such as the support for Identifying access schemes to financial engineering for proof of concept mechanisms for start-ups;</li> <li>○ Development of actions for raising competencies/skills of the stakeholders specially focusing on the involvement of partners from candidate and potential candidate countries including education and training concepts for the uptake and diffusion of innovation and circular knowledge management promoting the mobility of Researchers and PhD candidates in the ADRION region;</li> <li>○ Development of platforms for knowledge sharing (knowledge innovative communities, data clouds) and creation of functional networks of joint distributed research facilities;</li> <li>○ Development of transnational “quadruple helix” clusters in common interest fields addressing all stages of the innovation cycle, including idea generation, conception and prototyping, transfer, patenting, commercialization, etc.;</li> <li>○ Development of transnational models for the design, testing, up-scaling, comparison and evaluation of innovations (policies, tools, processes, actors, organisations and interfaces);</li> <li>○ Development of transnationally designed products, services, investment models and funding support instruments of business support centres, chambers of commerce, public administration and financing institutions;</li> <li>○ Development of strategies, schemes and tools for improving creativity and innovative approaches in the whole spectrum of the society including education, social services health, volunteer organisations and social enterprises;</li> <li>○ Building up transnational networks for the transfer of knowledge among public administration on technological solutions;</li> <li>○ Facilitating policy learning by integrating also results generated through previous EU initiatives</li> </ul>	

related to innovation and cluster support, for instance the Regions of Knowledge (FP7) that promoted Europe-wide cooperation between public and private research centres, enterprises and authorities and supported regional research-driven clusters;

- Promoting the development of eco-innovation technologies related to air quality and emission control (e.g. cleaner domestic combustion installations, fuel switching emission abatement technologies or power supply from the shore for vessels for sustainable ports.

**Target groups**

- General public;
- Those groups listed below under the caption “Indicative types of beneficiaries”;
- Financial Institutions, Banks;
- Enterprises, including SME.

**Indicative types of beneficiaries**

- Local public authorities;
- Regional public authorities;
- National public authorities;
- Agencies;
- International Organisations;
- Research organisations;
- (Public) service providers;
- Higher education institutions;
- Education/training centres;
- Business support organisations;
- Interest groups including NGOs and cultural/citizen organisations.

**2.A.6.2. Guiding principles for the selection of operations**

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

<b>Investment Priority 1.b</b>	<b>Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector (...)</b>
<p>The selection of projects will be carried out in accordance with Article 12 of the ETC regulation, following a standardised assessment procedure, the objectives of which include:</p> <ul style="list-style-type: none"> <li>▪ Assessment of the relevance of a project proposal;</li> <li>▪ Assessment of the feasibility of the proposed approach;</li> <li>▪ Definition of a transparent and objective basis for decision making on proposal rejection or approval;</li> </ul>	

- Provision of a base for communication and improvement among Programme bodies and applicants.

The assessment will be conducted using the following sets of criteria:

### **Strategic Assessment Criteria**

#### **These criteria shall examine:**

- The relevance, coherence and contribution of each project proposal to the ADRION Programme Objectives and especially the relevant SO addressed;
- The contribution to the envisaged results per IP;
- The soundness of the concept and demonstration of the need for the proposed intervention in its thematic and territorial context;
- The added value of transnational cooperation;
- The proposed partnership relevance to the above;
- The relevance and coherence of the project with the EUSAIR strategy and the contribution to the achievement of its objectives;
- The relevance and coherence of the project with other relevant EU strategies and or policies.

### **Operational Assessment Criteria**

#### **These criteria shall examine:**

- The adequacy of the management provisions in terms of structures, procedures and competences;
- The quality and effectiveness of communication provisions;
- The quality of the Work Plan in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency of the project and its results, potential for uptake and embedment into operative procedures of the partners involved;
- The adequacy of the budget provisions to guarantee the project implementation and generate value for money.

### **Coherence to Horizontal Principles Criteria**

These criteria shall examine the extent to which projects have integrated within their intervention logic:

- PA1 Horizontal principles such as promotion of energy, resource efficiency, consideration of the principles of open innovation;
- ADRION cross-cutting dimensions as defined in Section 1; equal opportunities and non-discrimination, equality between men and women, social cohesion and social innovation, data and knowledge management, use of ICT, territorial and eco-systemic approach.

The above elements should not be considered as a “check list”, but should rather encourage projects to proactively develop their project ideas within the logic of the Programme.

These three criteria are presented in the order of importance for the project. The Strategic Assessment Criteria examine the relevance of the project proposal; hence they retain absolute primacy over the other two criteria. The Operational Assessment Criteria ensure the successful delivery of results; hence they have more weight than the Coherence and Horizontal Principles Criteria, which are basically oriented towards integration of a “relevant and feasible” proposal into the ADRION logic.

The detailed assessment criteria will be laid down and made available to potential applicants in the programme related manual.

Preparatory costs will be eligible under the PA 1 funds.

### **2.A.6.3. Planned use of financial instruments**

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

<b>Investment Priority 1.b</b>	<b>Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector (...)</b>
Planned use of financial instruments	
The opportunity of the elaboration and implementation of financial instruments will be discussed during the implementation of the programme	

### **2.A.6.4. Planned use of major projects**

(Reference: point (b)(iii) of Article 8(2) of the ETC Regulation)

Not applicable

### 2.A.6.5. Output indicators

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

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

<b>ID</b>	<b>Output Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b> <i>200 char. Max.</i>	<b>Frequency of reporting</b> <i>100 char. Max.</i>
<b>COI_1</b>	Number of enterprises cooperating with research institutions	Enterprises (Number)	1000	Monitoring	Annually
<b>OI_1b.1_1</b>	Number of supported transnational cooperation networks and clusters	Number	8	Monitoring/ Project progress reports	Annually
<b>OI_1b.1_2</b>	Number of strategies and action plans developed by transnational innovation networks and clusters	Number	12	Monitoring/Project progress reports	Annually

### 2.A.7. Performance framework

(Reference: point (b)(v) of Article 8(2) of the ETC Regulation and Annex II of the CPR)

**Table 5: Performance framework of the priority axis**

Priority axis	Indicator Type (key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
1	Financial		Financial	EUR	1.969.166	20.420.452	Monitoring	
1	Output	OI_1b.1_2	Number of strategies and action plans developed by transnational innovation networks and clusters	Number	2	12	Monitoring/ Project progress reports	

2.A.1. Priority Axis 2

<b>ID</b>	<b>PRIORITY AXIS 2</b>
<b>Title</b>	<b>Sustainable Region</b>

- 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 through community-led local development

2.A.2. Justification for the establishment of a priority axis covering more than one thematic objective

(Reference: Article 8(1) of the ETC Regulation)

*Not applicable*

2.A.3. Fund and calculation basis for the Union support

<b>Fund</b>	<b>ERDF+ IPA</b>
<b>Calculation Basis</b> (total eligible expenditure)	EUR 44.944.943

2.A.4. Investment Priority 6c

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

<b>INVESTMENT PRIORITY 6.c</b>
<b>Conserving, protecting, promoting and developing natural and cultural heritage</b>

2.A.5. Specific objective corresponding to the investment priority and expected results

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

<b>ID</b>	<b>2.1</b>
<b>Specific Objective</b>	<b>Promote the sustainable valorisation and preservation of natural and cultural heritage as growth assets in the ADRION area</b>
<b>Expected results</b> 3500 char. max.	The ADRION area combines the heritage of some of the brightest civilisations of history and boasts a diverse setting of landscapes and natural elements (Adriatic, Ionian and Aegean Seas, Alps, islands, Danube plain etc.). The combination of the rich cultural and natural diversity makes the area unique and a globally attractive place.  The right balance between conservation/protection and advancement is one of the main challenges. Nature and cultural heritage is a major component of the area's tourism assets. The UN World Tourism Organisation research demonstrates that interest in the environment,

culture and heritage is a primary motivation for more than 50% of travels. Therefore, mobilising the cultural landscape and the richness of nature is key for creating a distinct Programme area “brand name”.

The proper concept to this end is sustainable valorisation, in other words, integration of apparent or hidden resources (natural stocks, cultural habits, implicit knowledge, and existing qualifications) in the added value chain without jeopardizing or destroying the given natural, social and cultural capital.

A pivotal element in this respect is tourism, since it is using the cultural and natural heritage as an output, it is one of the main, fast-growing economic activities and GDP contributor. However, its potential in the area is not fully exploited. Few tourism actors in the area adhere to a sustainable tourism model based on innovative, high-quality tourism products and services with light ecological footprint.

Cultural and natural heritage in the area is at risk due to:

- Increased human use especially of the coastal and marine space for recreation, housing, transport and fishing/ aquacultures;
- Unsustainable dominating tourism paradigms;
- Increased consumption of resources and energy by residents and visitors leading to emissions, waste, discharges etc. in a far greater load than the area can absorb;
- Increasing urban sprawl land; and, last but not least,
- Climate change impacts.

**The expected results are:**

- Common understanding among ADRION Partner States on the potential fields of transnational cooperation in tourism and consensus-building on the content of sustainable valorisation and tourism under an ADRION brand;
- Enhancement of the competencies/skills of relevant stakeholders parties in the fields of sustainable valorisation and tourism;
- Enhancement of the “body of knowledge” through transnational research, pilots, tools and experimentation;
- Development of a well-defined transnational identity and raising awareness on common heritage in the Adriatic-Ionian area as an orientation framework for individual actions;
- Improved involvement of tourism stakeholders, visitors and the society for the development of jointly agreed utilisation approaches;
- Preserved natural and cultural heritage and valorised within the Programme area brand name;
- Diversification of tourism products along topic, season, target group and environmental and social impact.



**Table 3: Programme specific result indicators (by specific objective)**

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

*One (if possible) and no more than two result indicators should be used for each specific objective.*

<b>ID</b>	<b>Result Indicator</b>	<b>Measurement Unit</b>	<b>Baseline Value</b>	<b>Baseline Year</b>	<b>Target Value<sup>8</sup>(2023)</b>	<b>Source of Data</b> <i>200 char. max</i>	<b>Frequency of reporting</b> <i>100 char. max</i>
6c.1	Level of capacity for the stakeholders in the fields of natural and cultural heritage protection and tourism to sustainably valorise natural and cultural heritage as a growth asset.	%	67,5%	2014	Increase	Survey	2018 2020 2023

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<sup>8</sup>Target values can be qualitative or quantitative.

2.A.6.Actions to be supported under the investment priority

**2.A.6.1 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)

<b>Investment Priority6.c</b>	<b>Conserving, protecting, promoting and developing natural and cultural heritage</b>
<p><b>Indicative Actions to be supported are:</b></p> <ul style="list-style-type: none"> <li>○ Creation of transnational networks and working groups for the definition of the principles of ADRION’s sustainable cultural/natural and tourism valorisation as well as the development of an ADRION brand name;</li> <li>○ Support to the exchange of best practices for the identification of challenges and trends in the tourism sector including marketing, management of increased tourism flows, including joint analysis of tourism, trends and their potential impact, joint access to new tourism markets, business opportunities and dissemination of new technologies and know-how;</li> <li>○ Development of actions for raising competencies/skills in cultural heritage preservation on sustainable tourism and tourism management of the stakeholders specially focusing on the involvement of actors from small tourism locations and facilities;</li> <li>○ Formulation of implementation strategies, set up and testing of clusters and models to better preserve, capitalize and innovate cultural and natural heritage and either combine them with tourism or maintain them for their intrinsic value by enterprises, research institutions, NGOs and local population using exchange of experiences, mutual learning and pilot activities;</li> <li>○ Building up of transnational networks and working groups and development of tools and pilots to monitor, evaluate and mitigate the environmental and social pressures and impacts and the risks for and by tourism;</li> <li>○ Set up, test and implementation of negotiation, mediation, participation and conflict resolution models in the context of tourism, culture preservation, local needs and economic growth in the context of cultural and natural heritage, especially for land uses in coastal zones;</li> <li>○ Organisation of knowledge transfer, exchange of good practice examples, networking and development of innovations concerning also the immaterial cultural heritage and related to the creative industries;</li> <li>○ Development of distinct and diversified tourism products such as transnational thematic tourism clusters and routes (e.g. monasteries routes, ancient heritage, wine routes, Adriatic-Ionian area routes etc.); seasonal variations of tourism offer (e.g.: off season arrivals for spring and autumn tourism for elder groups also in the context of climate change); offers for special interest groups (e.g. sailing, diving, mountaineering, history hobbyists, attracting visitors to inland destinations etc.); use of IT applications to generate interest on the heritage of the region; promotion of transnational nautical routes and of innovative strategies for marinas in terms of services and of their connections to the hinterland;</li> <li>○ Development of an integrated and coordinated approach to heritage and cultural tourism;</li> <li>○ Development of sustainable tourism models focusing on low carbon, on air quality improvement and decreasing PM and NO2 emissions, low ecological footprint, “slow food”, involvement of young people and volunteers and other alternative offerings in line with the natural and cultural</li> </ul>	

heritage in line with the ADRION brand;

- Small scale investments and demonstration projects for the provision of innovative services and products in the touristic sector, for specific forms of tourism, like cultural tourism, thematic tourism, elder citizens' services, etc.

**Target groups**

- General public;
- Groups listed under the caption "Indicative types of beneficiaries";
- Enterprises, including SMEs.

**Indicative types of beneficiaries**

- Public authorities;
- International Organisations;
- Agencies;
- Research institutions;
- Higher education institutions;
- Schools, education/training centres;
- Tourism and/or cultural public or private organisations (incl. SMEs);
- Business support organisations;
- Interest groups including NGOs and cultural/citizen associations.

**2.A.6.2. The guiding principles for the selection of operations**

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

Investment Priority 6.c	Conserving, protecting, promoting and developing natural and cultural heritage
<p>The selection of projects will be carried out in accordance with Article 12 of the ETC regulation, following a standardised assessment procedure, the objectives of which include:</p> <ul style="list-style-type: none"><li>▪ Assessment of the relevance of a project proposal;</li><li>▪ Assessment of the feasibility of the proposed approach;</li><li>▪ Definition of a transparent and objective basis for decision making on proposal rejection or approval;</li><li>▪ Provision of a base for communication and improvement among Programme bodies and applicants.</li></ul> <p>The assessment will be conducted using the following sets of criteria:</p> <p><b>Strategic Assessment Criteria</b></p> <p><b>These criteria shall examine:</b></p>	

- The relevance, coherence and contribution of each project proposal to the ADRION Programme Objectives and especially the relevant SO addressed;
- The contribution to the envisaged results per IP;
- The soundness of the concept and demonstration of the need for the proposed intervention in its thematic and territorial context;
- The added value of transnational cooperation;
- The proposed partnership relevance to the above;
- Synergies with Investment Priorities 6d considering that the targets related to cultural and natural heritage and enhancement of sustainable tourism are relevant to Natura 2000 and other protected areas in the region;
- The relevance and coherence of the project with the EUSAIR strategy and the contribution to the achievement of its objectives;
- The relevance and coherence of the project with other relevant EU strategies and or policies.

### **Operational Assessment Criteria**

#### **These criteria shall examine:**

- The adequacy of the management provisions in terms of structures, procedures and competences;
- The quality and effectiveness of communication provisions;
- The quality of the Work Plan in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency of the project and its results, potential for uptake and embedment into operative procedures of the partners involved;
- The adequacy of the budget provisions to guarantee the project implementation and generate value for money.

### **Coherence to Horizontal Principles Criteria**

These criteria shall examine the extent to which projects have integrated within their intervention logic:

- PA 2 Horizontal principles, such as promotion of energy and resource efficiency and consideration of the principles of open access to innovation benefits and reproducibility;
- ADRION cross-cutting dimensions as defined in Section 1; equal opportunities and non-discrimination, equality between men and women, social cohesion and social innovation, data and knowledge management, use of ICT, territorial and eco-systemic approach.

The above elements should not be considered as a “check list”, but should rather encourage projects to proactively develop their project ideas within the logic of the Programme.

These three criteria are presented in the order of importance for the project. The Strategic Assessment Criteria examines the relevance of the project proposal; hence they retain absolute primacy over the other two criteria. The Operational Assessment Criteria ensure the successful delivery of results; hence they have more weight than the Coherence to Horizontal Principles Criteria, which are basically oriented towards integration of a “relevant and feasible” proposal into the ADRION logic.

The detailed assessment criteria will be laid down and made available to potential applicants in the

programme related manual.  
 Preparatory cost will be eligible under the PA 2 funds.

**2.A.6.3.Planned use of financial instruments**

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

<b>Investment Priority 6.c</b>	<b>Conserving, protecting, promoting and developing natural and cultural heritage</b>
Planned use of financial instruments	
The opportunity of the elaboration and implementation of financial instruments will be debated during the implementation of the programme	

**2.A.6.4 Planned use of major projects**

(Reference: point (b)(iii) of Article 8(2) of the ETC Regulation)

Not applicable

**2.A.6.5.Output indicators**

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

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

<b>ID</b>	<b>Output Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b> <i>200 char. Max.</i>	<b>Frequency of reporting</b> <i>100 char. Max.</i>
<b>OI_6c.1_1</b>	Number of supported transnational cooperation networks	Number	20	Monitoring/Project progress reports	Annually
<b>OI_6c.1_2</b>	Number of strategies and action plans developed in the field of natural and cultural heritage and tourism	Number	30	Monitoring/Project progress reports	Annually
<b>OI_6c.1_3</b>	Number of small scale investments and demonstration projects	Number	10	Monitoring/Project progress reports	Annually
<b>COI_2</b>	Increase in expected number of visits to supported sites of cultural and natural heritage and	Visits/year	20.000	Monitoring/Project progress reports	Annually

	attractions				
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#### 2.A.4. Investment priority 6d

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

<b>INVESTMENT PRIORITY 6.d</b>
<b>Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure</b>

#### 2.A.5. Specific objective corresponding to the investment priority and expected results

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

<b>ID</b>	<b>2.2</b>
<b>Specific Objective</b>	<b>Enhance the capacity in transnationally tackling environmental vulnerability, fragmentation, and the safeguarding of ecosystem services in the ADRION area</b>
<b>Expected results</b> <i>3500 char. max.</i>	<p>ADRION area is rich in biodiversity and have a dense network of protected areas, albeit with different potential and conservation. ADRION's key feature is the semi-enclosed sea in its core. Thus it is vulnerable to pollution, since the waters are not exchanged frequently.</p> <p>Recognized environmental risks related to climate change mainly include droughts and floods. There is a manifold need to tackle and manage preservation and fragmentation challenges, risks and climate change adaptation, as well as integrating Ecosystem Services, Blue and Green Growth principles in regional development planning.</p> <p>Hence topography and geography contribute to high environmental vulnerability, which is already strongly affected by two mutually reinforcing threats: human pressure and global climate change.</p> <p>Vulnerability combined with low climate change adaptation capacities, low interoperability of civil protection organisations and practices, such as in the waste sector and construction, increase the level of risk.</p> <p>Ecosystem services are fundamental for both the living conditions of the resident population and for the tourism sector as "intermediate input" in that they are part of the "tourism offer". Furthermore, they are fully part of the natural and cultural heritage. Hence interventions under IP 6d should respect and integrate two aspects:</p> <ul style="list-style-type: none"> <li>○ Dynamic protection and risk management (protection, preservation and connectivity of "ecosystems"); and</li> <li>○ Sustainable use and risk prevention (integration of ecosystem services).</li> </ul> <p><b>The expected results are:</b></p> <ul style="list-style-type: none"> <li>○ Common understanding among ADRION Partner States for the <i>status quo</i>,</li> </ul>

	<p>the international and EU framework and the remaining needs of transnational cooperation in the fields of environmental protection, biodiversity management, ecosystem services and climate change adaptation;</p> <ul style="list-style-type: none"><li>○ Enhancement of the competencies/skills of the stakeholders and involved parties;</li><li>○ Increased availability of data and information for delivering evidence-based responses through interoperability and systematic monitoring;</li><li>○ Increased transnational cooperation, exchange and communication among authorities and civil society organisations;</li><li>○ Harmonised infrastructures, management structures and hazard/risk response mechanisms;</li><li>○ Increased number of “<i>state of the art</i>” management and planning tools.</li></ul>
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**Table 3: Programme specific result indicators (by specific objective)**

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

*One (if possible) and no more than two result indicators should be used for each specific objective.*

ID	Result Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>9</sup> (2023) <i>100 char.</i>	Source of Data <i>200 char.</i>	Frequency of reporting <i>100 char.</i>
IP 6.d SO 2.2	Level of capacity of the involved organisations to operate transnational, providing service and management regarding environmental vulnerability, fragmentation, and the safeguarding of ecosystems' services	%	77%	2014	Increase	Survey	2018 2020 2023

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<sup>9</sup>Target values can be qualitative or quantitative.



2.A.6.Actions to be supported under the investment priority

**2.A.6.1 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)

<b>Investment Priority6.d</b>	<b>Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure</b>
<p><b>Indicative Actions to be supported are:</b></p> <ul style="list-style-type: none"> <li>○ Enhancement and complement of transnational frameworks and platforms for the interoperability of existing databases, promotion of data availability, observatory functions and the integration of management approaches (hazard and risk assessment, planning methodologies, management plans, sustainability and adaptation assessments etc.) especially in coordination with the EU Civil Protection Mechanism and related IPA initiatives on civil protection, floods management, risk management etc.;</li> <li>○ Development of implementation strategies, models and testing of pilot activities and transnational, regional and intercommunity cooperation of risk management (risk assessment, risk communication, risk managing measures and hazard prevention) and climate change adaptation in terrestrial and aquatic environments;</li> <li>○ Implementation of research and evaluation activities through the development of a common monitoring and assessment reference framework and the deployment of advanced tools for mapping, diagnosing, protecting and managing terrestrial and maritime landscapes and habitats including awareness-raising and environmental education;</li> <li>○ Enhancement and complement of transnational networks and working groups for increasing capacity and coordination in the fields of biodiversity protection e.g. in connection to the NATURA 2000 and EMERALD networks, joint management actions for large carnivores, harmonization and enforcement of national laws with EU legislation and similar actions;</li> <li>○ Enhancement and complement of transnational networks and working groups for increasing marine knowledge in order to ensure a sound basis for the implementation of the Marine Framework Strategy Directive, including Deep Sea Resources Monitoring &amp; Surveillance and Management and Mapping of threats to coastal and marine biodiversity;</li> <li>○ Enhancement and complement of transnational networks and working groups for the development of transnational Special Spatial Plans (e.g. on RES, on tourism, on agriculture and forestry), Maritime Spatial Planning, Multiannual Fishery Management Plans and Integrated Coastal Zone Management Plans and Procedures;</li> <li>○ Enhancement and complement of transnational networks and working groups for the development of transnational terrestrial and maritime protected areas and habitats and integration thereof in the tourism product of the ADRION area;</li> <li>○ Development of and integration of existing transnational systems, procedures and early warning systems for identifying, managing and preventing localised and diffusing pollution from various sources (oil spills from maritime transport and marine litter in general, coastal industries and discharges, accidents, nitrates from agriculture, organic load from aquaculture, noise, light- and wastewater-pollution from tourism hotspots, landfills, soil contamination etc.);</li> </ul>	

- Development of and integration of existing of transnational systems, procedures and early warning systems for forecasting, managing and preventing natural and manmade hazards (forest fires, sea and river floods, industrial accidents, droughts, storms, algal blooms, earthquakes erosion and etc.) especially in coordination with the EU Civil Protection Mechanism and related IPA initiatives on civil protection, floods management, risk management etc.;
- Enhancement and complement of transnational frameworks and platforms for the harmonisation and enforcement of national laws and EU legislation (e.g. implementation of the EU Flood directive (2007/60), regional Strategies and international obligations (e.g. the Barcelona Convention), with special attention on coastal urban areas and trans boundary issues, the joint contingency planning and coordinated emergency response and interoperability of civil protection mechanisms and organisations;
- Enhancement and complement of transnational frameworks and platforms for the exchange of best practices especially in coordination with the EU Civil Protection Mechanism and related IPA initiatives on civil protection, floods management, risk management etc., the experimentation and piloting with new innovative and integrated approaches (e.g. integrated and sustainable management of protected areas with cultural heritage as a powerful asset for inclusive economic development) approaches and the evaluation of existing and perspective methods and procedures in order to develop an ADRION environmental protection knowledge base and promotion of the topics in the society and especially among the youth;
- Improvement of the interoperability of existing databases.

All proposals and initiatives in the area of cross-border civil protection and disaster management should not overlap with the existing European structures such as the Union Civil Protection Mechanism which is the European framework for cooperation and coordination in the field of disaster prevention, preparedness and response. Activities under this Programme should be complementing and supporting the countries' participation in the Union Civil Protection Mechanism and similar capacity building activities which are being provided to the region through the Mechanism and the Instrument for Pre-accession Assistance (e.g.: regional IPA programmes on civil protection cooperation, floods management and risk assessment and mapping).

#### **Target groups**

- General public;
- Groups listed under the caption "Indicative types of beneficiaries";
- Enterprises, including SME.

#### **Indicative types of beneficiaries**

- Public authorities;
- Agencies;
- Natural Heritage & Green Infrastructure management organisations;
- Higher education institutions;
- Schools, education/training centres;
- Business support organisations;
- Interest groups including NGOs and environmental/citizen associations.

### 2.A.6.2. The guiding principles for the selection of operations

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

<b>Investment Priority6.d</b>	<b>Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure</b>
<p>The selection of projects will be carried out in accordance with Article 12 of the ETC regulation, following a standardised assessment procedure, the objectives of which include:</p> <ul style="list-style-type: none"><li>▪ Assessment of the relevance of a project proposal;</li><li>▪ Assessment of the feasibility of the proposed approach;</li><li>▪ Definition of a transparent and objective basis for decision making on proposal rejection or approval;</li><li>▪ Provision of a base for communication and improvement among Programme bodies and applicants.</li></ul> <p>The assessment will be conducted using the following sets of criteria:</p> <p><b>Strategic Assessment Criteria</b></p> <p><b>These criteria shall examine:</b></p> <ul style="list-style-type: none"><li>▪ The relevance, coherence and contribution of each project proposal to the ADRION Programme Objectives and especially the relevant SO addressed;</li><li>▪ The contribution to the envisaged results per IP;</li><li>▪ The soundness of the concept and demonstration of the need for the proposed intervention in its thematic and territorial context;</li><li>▪ The added value of transnational cooperation;</li><li>▪ The proposed partnership relevance to the above;</li><li>▪ The relevance and coherence of the project with the EUSAIR strategy and the contribution to the achievement of its objectives;</li><li>▪ The relevance and coherence of the project with other relevant EU strategies and or policies.</li></ul> <p><b>Operational Assessment Criteria</b></p> <p><b>These criteria shall examine:</b></p> <ul style="list-style-type: none"><li>▪ The adequacy of the management provisions in terms of structures, procedures and competences;</li><li>▪ The quality and effectiveness of communication provisions;</li><li>▪ The quality of the Work Plan in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency of the project and its results, potential for uptake and embedment into operative procedures of the partners involved;</li><li>▪ The adequacy of the budget provisions to guarantee the project implementation and generate value for money.</li></ul>	

### **Coherence to Horizontal Principles Criteria**

These criteria shall examine the extent to which projects have integrated within their intervention logic:

- PA 2 horizontal principles, such as promotion of energy and resource efficiency and consideration of the principles of open access to innovation benefits and reproducibility;
- ADRION cross-cutting dimensions as defined in Section 1 of the CP; equal opportunities and non-discrimination, equality between men and women, social cohesion and social innovation, data and knowledge management, use of ICT, territorial and eco-systemic approach;

The above elements should not be considered as a “check list”, but should rather encourage projects to proactively develop their project ideas within the logic of the Programme.

These three criteria are presented in the order of importance for the project. The Strategic Assessment Criteria examine the relevance of the project proposal; hence they retain absolute primacy over the other two criteria. The Operational Assessment Criteria ensure the successful delivery of results; hence it is enjoying a larger weight than the Coherence to Horizontal Principles Criteria, which are basically oriented towards integration of a “relevant and feasible” proposal into the ADRION logic.

The detailed assessment criteria will be laid down and made available to potential applicants in the programme related manual.

Preparatory cost will be eligible under the PA 2 funds

### 2.A.6.3.Planned use of financial instruments

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

<b>Investment Priority6.d</b>	<b>Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure</b>
Planned use of financial instruments	
The opportunity of the elaboration and implementation of financial instruments will be debated during the implementation of the programme	

### 2.A.6.4. Planned use of major projects

(Reference: point (b)(iii) of Article 8(2) of the ETC Regulation)

Not applicable

### 2.A.6.5.Output indicators

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

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

<b>ID</b>	<b>Output Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b> <i>200 char. Max</i>	<b>Frequency of reporting</b> <i>100 char. Max</i>
<b>OI_6d.1_1</b>	Number of supported transnational cooperation networks	Number	20	Monitoring/Project progress reports	Annually
<b>OI_6d.1_2</b>	Number of strategies and action plans developed in the field of environmental protection	Number	15	Monitoring/Project progress reports	Annually

### 2.A.7. Performance framework

(Reference: point (b)(v) of Article 8(2) of the ETC Regulation and Annex II of the CPR)

**Table 5: Performance framework of the priority axis**

Priority axis	Indicator Type (key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
2	Financial		Financial	EUR	4.547.238	44.944.943	Monitoring	
2	Output	OI_6c.1_2	Number of strategies and action plans developed in the field of natural and cultural heritage and tourism	Number	3	30	Monitoring/ Project progress reports	
2	Output	OI_6d.1_2	Number of strategies and action plans developed in the field of environmental protection	Number	2	15	Monitoring/ Project progress reports	

### 2.A.1. Priority Axis 3

<b>ID</b>	<b>PRIORITY AXIS 3</b>
<b>Title</b>	<b>Connected Region</b>

- 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 through community-led local development

### 2.A.2. Justification for the establishment of a priority axis covering more than one thematic objective

(Reference: Article 8(1) of the ETC Regulation)

Not applicable

### 2.A.3. Fund and calculation basis for the Union support

<b>Fund</b>	<b>ERDF+ IPA</b>
<b>Calculation Basis (total eligible expenditure)</b>	EUR 17.507.163

### 2.A.4. Investment priority 7c

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

<b>INVESTMENT PRIORITY 7.c</b>
<b>Developing and improving environment-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</b>

### 2.A.5. Specific objective corresponding to the investment priority and expected results

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

<b>ID</b>	<b>3.1</b>
<b>Specific Objective</b>	<b>Enhance capacity for integrated transport and mobility services and multimodality in the Adriatic-Ionian area</b>
<b>Expected results</b> 3500 char. max.	The area is characterised by the dominance of road transport on land bound routes and a large number of smaller and bigger ports at the coast line. The connections to the hinterland are poor with many bottlenecks on multimodal connections, while coordination is also inadequate. This is evident by the maritime traffic congestion at ports and the border waiting times, as the number of visitors and the volume of container transport are

increasing in the area.

Density of railway network is lower than the EU average. Railroad connections are also more developed in the periphery of the programme area, whereas the centre of the area is poorly served, especially in the East-West direction.

Some constraints are dictated by geography and can hardly be overcome; others are rather a consequence of the spatial interactions and planning decisions of the past. Thus, fragmentation and isolation of many areas is evident.

The lack of efficient multimodal networks (road, rail air, water transport) as well as low connectivity and mobility of peripheral areas can be addressed by improving the strategic transport management. Waterway transport plays a key role in this respect, especially since it has a relatively low environmental impact. There is need for efficient multi-modal freight transport and logistics chains, surveillance and coordination and substantial investments in order to meet technological, industrial, safety, security, environmental and climate change challenges.

Shipping can be a major source of emissions, especially in ports. Emissions of SO<sub>2</sub>, NO<sub>2</sub> and PM can affect people's health, damage cultural heritage and deteriorate ecosystems (see also Impact Assessment of the Clean Air Package). Air quality measures can reduce such effects, and are most effective if coordinated (e.g. plugs for power supply from shore, retrofitting vessels, cleaner port non road mobile machinery such as cranes, LNG facilities to allow fuel switching to clean fuel, favourable port fee structure for clean ships). Clean sea shipping in the very touristic Adriatic Sea basin should be promoted, by using clean shipping and retrofitting technologies, in line with EUSAIR. In addition, emissions from shipping and the impact on the port cities and other shore areas should be monitored. Due to the above, one of the objectives will be the reduction of air pollutants (PM, NO<sub>2</sub>, SO<sub>2</sub>) from vessels and to include related actions. The reduction of air pollutants (PM, NO<sub>2</sub>, SO<sub>2</sub>) from vessels can therefore be addressed by the Programme.

**The expected results are:**

- Common understanding among ADRION Partner States of the “status quo” and the potential in the ADRION area for multimodal, environmental-friendly and low carbon transport and mobility infrastructures and services;
- Enhancement of the competencies/skills of the stakeholders and involved parties;
- Increase in the implementation options for multimodal, environmental-friendly and low carbon transport and mobility infrastructures and services;
- Enhanced involvement of tourism actors, residents and economic operators for investment in multimodal, environmental-friendly and low carbon transport and mobility infrastructures and services;
- Harmonised and/or joint infrastructures, tools and management



	<p>structures;</p> <ul style="list-style-type: none"><li>○ Enhancement of the maturity and coordination of investments in multimodal, environmental-friendly and low carbon transport and mobility infrastructures and services.</li></ul>
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**Table 3: Programme specific result indicators (by specific objective)**

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

*One (if possible) and no more than two result indicators should be used for each specific objective.*

<b>ID</b>	<b>Result Indicator</b>	<b>Measurement Unit</b>	<b>Baseline Value</b>	<b>Baseline Year</b>	<b>Target Value<sup>10</sup> (2023)</b> <i>100 char.</i>	<b>Source of Data</b> <i>200 char.</i>	<b>Frequency of reporting</b> <i>100 char.</i>
7c.1	Level of capacity of organisations in the field of transport and mobility to transnationally plan and implement sustainable and multimodal transport and mobility solutions	%	66,6%	2014	Increase	Survey	2018 2020 2023

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<sup>10</sup>Target values can be qualitative or quantitative.

2.A.6.Actions to be supported under the investment priority

**2.A.6.1 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)

<p><b>Investment Priority 7.c</b></p>	<p><b>Developing and improving environment-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</b></p>
<p><b>Indicative Actions to be supported are:</b></p> <ul style="list-style-type: none"> <li>○ Set up of transnational frameworks, platforms and networks for the identification of existing potentials and obstacles in the fields of integrated transport, mobility services and multimodality (mapping of resources, studies, pilots and strategies, market demand e.g. for freight routes, prerequisites and “soft” factors for implementation and the monitoring of the outcomes of integrated transport and mobility services and multimodality nodes;</li> <li>○ Development of joint approaches and instruments in the field of maritime transport, such as a modern ship reporting system in the Adriatic Sea (Common Adriatic-Ionian Vessel Traffic Monitoring and Information System ADRIREP), motorways of the sea, and related port infrastructures and ITS (Intelligent Transport System);</li> <li>○ Building up of networks and working groups for the standardisation of legal requirements, technical specifications and capacity building in the field of planning and environmental impact assessment of intermodal transport investments and related operation and logistics services along with related communication activities;</li> <li>○ Establishment of networks and working groups on issues related to the design, coordination and operation of integrated environmental-friendly and low carbon transport and mobility services and multimodality structures especially in metropolises, functional urban areas and in areas under land use pressure (e.g. coasts);</li> <li>○ Support the transfer and uptake of existing local/regional solutions and instruments; capitalisation of on-going technological innovations for a more sustainable organisation of environmental-friendly - low carbon transport and mobility services and multimodality nodes, as well as new technologies applications;</li> <li>○ Study, design and testing of operational, technological and funding models for the preparation of infrastructure investments for environmental-friendly and low carbon transport and mobility services and multimodality;</li> <li>○ Development of transnational platforms for the coordination of environmental-friendly and low carbon transport and mobility services and infrastructures taking into account the possibilities offered by modern technologies, the environmental and seasonal constraints and the synergies of the demand by tourism, resident population and economic operators.</li> </ul> <p><b>Target groups</b></p> <ul style="list-style-type: none"> <li>▪ General public;</li> </ul>	

- Enterprises, including SME;
- Those groups listed under the caption “Indicative types of beneficiaries”.

**Indicative types of beneficiaries**

- Local Authorities;
- Regional Authorities;
- National Authorities;
- Agencies;
- Infrastructure and (public) service providers;
- Research & Engineering Institutions;
- Higher education institutions;
- Business support organisations;
- Interest groups including NGOs and citizen associations.

**2.A.6.2. The guiding principles for the selection of operations**

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

<b>Investment Priority 7.c</b>	<b>Developing and improving environment-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</b>
<p>The selection of projects will be carried out in accordance with Article 12 of the ETC regulation, following a standardised assessment procedure, the objectives of which include:</p> <ul style="list-style-type: none"> <li>▪ Assessment of the relevance of a project proposal;</li> <li>▪ Assessment of the feasibility of the proposed approach;</li> <li>▪ Definition of a transparent and objective basis for decision making on proposal rejection or approval;</li> <li>▪ Provision of a base for communication and improvement among Programme bodies and applicants.</li> </ul> <p>The assessment will be conducted using the following sets of criteria:</p> <p><b>Strategic Assessment Criteria:</b></p> <p><b>These criteria shall examine:</b></p> <ul style="list-style-type: none"> <li>▪ The relevance, coherence and contribution of each project proposal to the ADRION Programme Objectives and especially the relevant SO addressed;</li> <li>▪ The contribution to the envisaged results per IP;</li> <li>▪ The soundness of the concept and demonstration of the need for the proposed intervention in its thematic and territorial context;</li> </ul>	

- The added value of transnational cooperation;
- The proposed partnership relevance to the above;
- The relevance and coherence of the project with the EUSAIR strategy and the contribution to the achievement of its objectives;
- The relevance and coherence of the project with other relevant EU strategies and or policies.

### **Operational Assessment Criteria**

#### **These criteria shall examine:**

- The adequacy of the management provisions in terms of structures, procedures and competences;
- The quality and effectiveness of communication provisions;
- The quality of the Work Plan in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency of the project and its results, potential for uptake and embedment into operative procedures of the partners involved;
- The adequacy of the budget provisions to guarantee the project implementation and generate value for money.

### **Coherence to Horizontal Principles Criteria**

This criterion shall examine the extent to which projects have integrated within their intervention logic:

- PA 3 horizontal principles, such as promotion of energy and resource efficiency and consideration of the principles of open access to innovation benefits and reproducibility;
- ADRION cross-cutting dimensions as defined in Section 1 of the CP; equal opportunities and non-discrimination, equality between men and women, social cohesion and social innovation, data and knowledge management, use of ICT, territorial and eco-systemic approach.

The above elements should not be considered as a “check list”, but should rather encourage projects to proactively develop their project ideas within the logic of the Programme.

These three criteria are presented in the order of importance for the project. The Strategic Assessment Criteria examine the relevance of the project proposal; hence they retain absolute primacy over the other two criteria. The Operational Assessment Criterion ensure the successful delivery of results; hence they have more weight than the Coherence to Horizontal Principles Criteria, which are basically oriented towards integration of a “relevant and feasible” proposal into the ADRION logic.

The detailed assessment criteria will be laid down and made available to potential applicants in the programme related manual.

Preparatory cost will be eligible under the PA 3 funds.

### 2.A.6.3.Planned use of financial instruments

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

<b>Investment Priority 7.c</b>	<b>Developing and improving environment-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</b>
Planned use of financial instruments	
The opportunity of the elaboration and implementation of financial instruments will be debated during the implementation of the Programme.	

### 2.A.6.4. Planned use of major projects

(Reference: point (b)(iii) of Article 8(2) of the ETC Regulation)

Not applicable

### 2.A.6.5.Output indicators

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

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

<b>ID</b>	<b>Output Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b> <i>200 char. Max</i>	<b>Frequency of reporting</b> <i>100 char. Max</i>
<b>OI_7c.1_1</b>	Number of supported transnational cooperation networks in the field of environment-friendly and low-carbon transport systems	Number	6	Monitoring/Project progress reports	Annually
<b>OI_7c.1_2</b>	Number of strategies and action plans developed in the field of environment-friendly and low-carbon transport systems	Number	12	Monitoring/Project progress reports	Annually

## 2.A.7. Performance framework

Table 5: Performance framework of the priority axis

Priority axis	Indicator Type (key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
3	Financial		Financial	EUR	1.770.852	17.507.163	Monitoring	
3	Output	OI_7c.1_2	Number of strategies and action plans developed in the field of environment-friendly and low-carbon transport systems	Number	2	12	Monitoring/ Project progress reports	

### 2.A.1 Priority Axis 4

<b>ID</b>	<b>PRIORITY AXIS 4</b>
<b>Title</b>	<b>Supporting the governance of the EUSAIR</b>

- 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 through community-led local development

### 2.A.2. Justification for the establishment of a priority axis covering more than one thematic objective

(Reference: Article 8(1) of the ETC Regulation)

Not applicable

### 2.A.3. Fund and calculation basis for the Union support

<b>Fund</b>	<b>ERDF+ IPA</b>
<b>Calculation Basis (total eligible expenditure)</b>	EUR 9.775.995

### 2.A.4. Investment priority 11

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

<b>INVESTMENT PRIORITY 11</b>
<b>Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies[article. 7 (b) Regulation (EU) No 1299/2013]</b>

### 2.A.5. Specific objective corresponding to the investment priority and expected results

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

<b>ID</b>	<b>4.1</b>
<b>Specific Objective</b>	<b>SO 4.1:</b> Facilitate the coordination and implementation of the EUSAIR by enhancing the institutional capacity of public administrations and key stakeholders and by assisting the progress of implementation of joint priorities
<b>Expected results</b> 3500 char. max.	The PA 4 constitutes the framework for providing operational and administrative support to the key EUSAIR governance structures at the two main levels: the coordinating level represented by the Governing Board



(GB), and the implementation level represented by the Thematic Steering Groups (TSGs). The “key implementers” are the National Coordinators, Pillar Coordinators and members of the Thematic Steering Groups. Support to EUSAIR governance structures will be provided through assistance and coordination mechanisms, including support to the functioning of networks, intended to facilitate the GB and the TSGs in the fulfilment of their respective roles.

These objectives will be achieved only if the countries and regions, come together and committedly join forces also in the perspective of future EU enlargement. To fully exploit the potential offered by the EUSAIR, it is paramount to ensure adequate support to EUSAIR governance structures and heterogeneous stakeholders (local, regional, national, EU, economic and social actors, civil society, etc.) and to facilitate the process of coordination between different programmes and funds in the Adriatic Ionian Region as a whole and in each Partner State in particular.

In order to facilitate the coordination and implementation of the EUSAIR, a strategic project will be set up within the ADRION Programme under TO 11 aiming at supporting good and stable governance mechanisms and facilitating the implementation of the EUSAIR.

**The expected result is:**

- Built up capacity of governance actors and stakeholders to effectively implement EUSAIR;

**Table 3: Programme specific result indicators (by specific objective)**

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

*One (if possible) and no more than two result indicators should be used for each specific objective.*

ID	Result Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>11</sup> (2023) <i>100 char. max</i>	Source of Data <i>200 char. max</i>	Frequency of reporting <i>100 char. max</i>
IP 11 SO 4.1	The status of management capacities of EUSAIR governance structures to effectively implement the EUSAIR and its Action plan, achieving their objectives and targets	Semi-quantitative scale	Zero level (0,00) Established through a survey	2015	Improvement (qualitative target)	Survey (questionnaire) among the members of EUSAIR GB and TSGs	2017 2020 2023

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<sup>11</sup>Target values can be qualitative or quantitative.

2.A.6.Actions to be supported under the investment priority

**2.A.6.1 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)

<b>Investment Priority 11</b>	<b>Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies[article. 7 (b) Regulation (EU) No 1299/2013]</b>
<p>The EUSAIR governance structure is responsible for the management and the implementation of the Strategy. The countries involved in the EUSAIR take their share of responsibility for implementation and coordination of the Strategy.</p> <p>The aim of this PA is to establish an operational tool to support the EUSAIR governance through strategic project to be managed by Slovenia in close cooperation with project partners in all Partner States relying on existing structures since the capacity should be built at the level of each country as well of the whole area.</p> <p>Within this framework, one Action is envisaged:</p> <ul style="list-style-type: none"><li>○ Operational support to the key EUSAIR governance actors and stakeholders in their respective roles.</li></ul> <p>This action may include indicative activities such as:</p> <ul style="list-style-type: none"><li>○ Providing day-to-day operational and logistic support to the GB and TSGs;</li><li>○ Assisting the TSGs in 'match making' activities, bringing together project promoters and financiers;</li><li>○ Providing assistance in developing project concepts (seed money, pilot actions, preparatory actions, etc.);</li><li>○ Supporting preparation of macro-regional actions/projects, in coordination with the TSGs;</li><li>○ Supporting the TSGs in monitoring, reporting and evaluation;</li><li>○ Facilitating the development and functioning of a stakeholders platform;</li><li>○ Facilitating visibility through promotion of an Adriatic Ionian profile, as well as awareness-raising, including management of a EUSAIR website and the staging of events (incl. the annual EUSAIR Forum);</li><li>○ Assisting the GB in the preparation of the annual EUSAIR Forum;</li><li>○ Supporting the building of the knowledge base, including collection of reliable and comparable data for establishing sound baselines and developing relevant, evidence-based result indicators and plausible targets;</li><li>○ Facilitating dialogue with bodies in charge of the implementation of programmes/financial instruments regarding how best to mobilise funding for actions under the different pillars.</li></ul> <p>The details of this action will be further defined in the elaboration of the strategic project related to the establishment of the EUSAIR Facility Point.</p>	

<p><b>Target groups</b></p> <ul style="list-style-type: none"> <li>▪ EUSAIR governance structures (GB and TSGs);</li> <li>▪ EUSAIR stakeholders.</li> </ul> <p><b>Indicative type of beneficiaries</b></p> <ul style="list-style-type: none"> <li>▪ Public authorities.</li> </ul>
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### **2.A.6.2. The guiding principles for the selection of operations**

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

<b>Investment Priority 11</b>	<b>Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies[article. 7 (b) Regulation (EU) No 1299/2013]</b>
<p>The Working Group set up by the Task Force for drafting PA 4/TO 11 under the Slovenian coordination and in close cooperation with the EUSAIR governance structures shall draft the strategic project proposal, which will be submitted to the ADRION monitoring committee for approval without publishing a call for proposals.</p> <p>The project proposal shall ensure the relevance, coherence and contribution to the SO by verifying the contribution to the envisaged results and shall reflect the needs of the EUSAIR governance structures.</p> <p>Preparation costs for project are eligible from the Priority axis 4 funds.</p>	

### **2.A.6.3. Planned use of financial instruments**

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

<b>Investment Priority 11</b>	<b>Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies[article. 7 (b) Regulation (EU) No 1299/2013]</b>
Planned use of financial instruments	Not applicable

### **2.A.6.4. Planned use of major projects**

(Reference: point (b)(iii) of Article 8(2) of the ETC Regulation)

Not applicable

### 2.A.6.5. Output indicators

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

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

ID	Output Indicator	Measurement unit	Target value (2023)	Source of data <i>200 char. max.</i>	Frequency of reporting <i>100 char. max.</i>
IP 11 SO 4.1	Events and meeting of the EUSAIR governance structures	Number of events and meetings of the EUSAIR governance structures	120	Progress reports	Annual

### 2.A.7. Performance framework

**Table 5: Performance framework of the priority axis**

Priority axis	Indicator Type (key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
4	Financial	OI_IP 11 4.1	Financial	EUR	977.599	9.775.995	Monitoring	
		OI_IP 11 4.1	Number of events and meetings of the EUSAIR governance structures	Number	12	120	NC progress reports	

2.A.8. Categories of intervention

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

**Tables 6-9: Categories of intervention**

<b>Table 6: Dimension 1: Intervention field</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>EUR amount</b>
<b>1</b>	60 Research and innovation activities in public research centres and centres of competence including networking	6.019.450
	62 Technology transfer and university-enterprise cooperation primarily benefiting SMEs	5.253.340
	63 Cluster support and business networks primarily benefiting SMEs	3.991.371
	65 Research and innovation infrastructure, processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and on resilience to climate change	2.081.222
	67 SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	3.075.069
	<b>2</b>	91 Development and promotion of the tourism potential of natural areas
94 Protection, development and promotion of public cultural heritage assets		8.680.734
95 Development and promotion of public cultural and heritage services		10.227.637
21 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)		5.214.095
85 Protection and enhancement of biodiversity, nature protection and green infrastructure		3.231.297
86 Protection, restoration and sustainable use of Natura 2000 sites		1.377.826

	87 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	9.842.206
3	036 Multimodal transport	8.418.051,00
3	44 Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	9.089.112
4	096 institutional capacity of public administrations and public services related to implementation of the ERDF or actions supporting ESF institutional capacity initiatives	4.887.998
	119 Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	4.887.997
5	121 Preparation, implementation, monitoring and inspection	5.206.450
5	122 Evaluation and studies	650.806
5	123 Information and Communication	650.806

<b>Table 7: Dimension 2: Form of Finance</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>EUR amount</b>
1	01 Non-repayable grant	20.420.452
2	01 Non-repayable grant	44.944.943
3	01 Non-repayable grant	17.507.163
4	01 Non-repayable grant	9.775.995
5	01 Non-repayable grant	6.508.063



<b>Table 8: Dimension 3: Territory type</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ amount</b>
<b>1</b>	01 Large Urban areas (densely populated > 50 000 population)	17.096.850,55
	02 Small Urban areas (intermediate density > 5 000 population)	3.323.601,45
<b>2</b>	01 Large Urban areas (densely populated > 50 000 population)	20.657.763,99
	02 Small Urban areas (intermediate density > 5 000 population)	9.796.523,03
	03 Rural areas (thinly populated)	14.490.655,98
<b>3</b>	01 Large Urban areas (densely populated > 50 000 population)	17.507.163,00
<b>4</b>	04 Macro-regional strategies	9.775.995
<b>5</b>	07 Not applicable	6.508.063

<b>Table 9: Dimension 6: Territorial delivery mechanisms</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ amount</b>
<b>1</b>	07 Not applicable	20.420.452
<b>2</b>	07 Not applicable	44.944.943
<b>3</b>	07 Not applicable	17.507.163
<b>4</b>	07 Not applicable	9.775.995
<b>5</b>	07 Not applicable	6.508.063

2.A.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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes

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

PRIORITY AXIS	TECHNICAL ASSISTANCE
There is no action limited to improving the implementation capacity of one specific PA. Actions of technical assistance concern all Priority Axes and are developed in section 2.B.	

## **2.B. Description of the priority axis for technical assistance**

(Reference: point (c) of Article 8(2) of the ETC Regulation)

### *2.B.1. Priority Axis 5*

ID	PRIORITY AXIS 5
Title	Technical Assistance

### *2.B.2. Fund and calculation basis for Union support*

Fund	ERDF +IPA
Calculation Basis (total eligible expenditure)	EUR 6.508.063

### *2.B.3. Specific objectives and expected results*

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

ID	5.1
Specific objective	To increase in efficiency and effectiveness the management and implementation of the cooperation programme

Expected results	A sound management of the transnational cooperation programme is the pre-condition for its effective implementation. The result expected within this SO is thus directly linked to the need of ensuring an adequate management and control environment of the programme, as described in Section 5.3, guaranteeing that all programme implementation steps (including the launch of calls, contracting, monitoring of operations and programme achievements, reimbursement of expenditure, etc.) are timely and properly executed.
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	<p><b>Main change sought</b></p> <p>The ADRION Programme is a new transnational cooperation programme which can nonetheless 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, respectively, the MED, the SEE and the IPA CBC Adriatic programmes.</p> <p>In particular, the evaluation of the SEE in the 2007-2013 programming period observed that there were space for reducing the administrative burden in the framework of implementation.</p> <p>Accordingly, the change driven by the ADRION 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, allowing better conditions for the submission of project proposals and better quality projects.</p>
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<b>ID</b>	<b>5.2</b>
<b>Specific objective</b>	<b>To improve the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the programme implementation</b>

<b>Expected results</b>	<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) No 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 implementation of SEE Programme, strategic calls proved to be successful in engaging core stakeholders. Strategic projects set up a more complex procedure for identifying relevant programme topics that have been narrowed down with the support of the programme national authorities and stakeholders and had more stricter eligibility rules in terms of objectives/results and beneficiaries.</p> <p><b>Main change sought</b></p> <p>In the framework of this SO, ADRION 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</p>
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	<p>applications as well as on project management, mobilisation of the joint secretariat (JS), also through individual consultations, information, animation, mobilisation of national contact points.</p> <p>Accordingly, two main results are envisaged:</p> <ul style="list-style-type: none"> <li>○ Increased capacity of applicants and beneficiaries to participate in the Programme;</li> <li>○ Strengthened involvement of relevant partners in Programme implementation.</li> </ul>
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*2.B.4.Result indicators*

*Not applicable as the Union support to technical assistance in the Adriatic-Ionian cooperation programme does not exceed MEUR 15.*

*2.B.5.Actions to be supported and their expected contribution to the specific objective*

(Reference: point (c)(iii) of Article 8(2) of the ETC Regulation)

2.B.5.1. Description of actions to be supported and their expected contribution to the specific objectives

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

Priority Axis 5	<i>Technical Assistance</i>
<p><b>Types and examples of actions and expected contribution to the SOs:</b></p> <p>The following list of possible actions is only an indicative list and can be completed with other relevant actions contributing to the SOs goals.</p> <p><b>SO 5.1: Actions to increase in efficiency and effectiveness the management and implementation of the ADRION Programme.</b></p> <p>In line with Article 59 of the Regulation (EU) No 1303/2013, actions within SO 5.1 target the preparation, management, monitoring, evaluation, information and communication, networking, control and audit tasks of the programme. Moreover, actions referring to this SO also address the reduction of the administrative burden for beneficiaries.</p> <p>Indicative actions supported under SO 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"> <li>○ Setting up and managing of a JS supporting the managing authority/certifying authority (MA/CA) and assisting the monitoring committee (MC) and, where necessary, the audit authority (AA) and the group of auditors (GoA) in the implementation and day-to-day management of the Programme;</li> <li>○ Preparing and implementing calls for proposals, including the development of guidance documents setting out the conditions for the support of operations;</li> <li>○ Setting-up and implementing procedures for the quality assessment, monitoring and control of operations implemented under the ADRION programme, also making use of external experts</li> </ul>	

where necessary, and contributing to the reduction of administrative burden for beneficiaries;

- Collecting data concerning the progress of the Programme in achieving its objectives, as well as financial data and data relating to indicators and milestones, and reporting to the MC 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;
- 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/JS, with the purpose of exchanging information and best practices at transnational level;
- Setting up and execution of audits on the Programme management and control system and on operations;
- Training for Programme bodies Participation to international conferences.

**SO 5.2: Actions to improve the support to applicants and beneficiaries and to strengthen the involvement of relevant partners in the ADRION Programme.**

In line with Article 59 of the Regulation (EU) No 1303/2013 , actions within the SO 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 SO 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;
- Organising consultation, information, training and exchange events to strengthen the capacity of applicants to develop applications directly contributing to the Programme SOs and expected results;
- Organising trainings on specific implementation issues such as project and financial management, reporting, control, audit, communication and networking to strengthen the capacity of beneficiaries to implement approved operations;
- Organising 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 transnational 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/transnational level);

- Coordinating a network of NCPs selected or nominated according to jointly established criteria;
- 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.

Preparation costs for project are eligible from the PA 5 funds.

Technical assistance actions shall be implemented by all authorities involved in the management of the Programme, listed in Section 5.3.

#### 2.B.5.2. Output indicators expected to contribute to results

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

**Table 11: Output indicators (by priority axis)**

ID	Indicator	Measurement unit	Target value (2023) <i>(optional)</i>	Source of data
	Calls for proposals successfully launched and closed	No.	2	Observation
	Operations approved following calls for proposals	No.	40	Programme e-Monitoring System
	Periodic progress reports of operations monitored and paid	No.	300	Programme e-Monitoring System
	Programme communication strategy developed and implemented	No.	1	Observation Programme Annual Report
	Independent programme evaluations implemented (ex-ante and during programme implementation)	No.	2	Observation
	Programme e-Monitoring System developed and implemented	No.	1	Observation
	Network of national controllers established	No.	1	Observation
	Audits on programme management and control system and on operations	No.	--	Programme e-Monitoring System
	Consultation, information, training and exchange	No.	--	Observation

	workshops for applicants and beneficiaries organised			
	Established national contact points	No.	8	Observation
	Number of employees (FTE)	No		Observation

### 2.B.6. Categories of intervention

(Reference: point (c)(v) of Article 8(2) of the ETC Regulation)

**Table 12-14: Categories of intervention**

<b>Table 12: Dimension 1: Intervention field</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>EUR amount</b>
5	121: Preparation, implementation monitoring and inspection	5.206.450
5	122: Evaluation and studies	650.806
5	123: Information and communication	650.806

<b>Table 13: Dimension 2: Form of finance</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>EUR amount</b>
5	01: Non-repayable grant	6.508.063

<b>Table 14: Dimension 2: Territory type</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>EUR amount</b>
5	07: Not applicable	6.508.063

### SECTION 3. THE FINANCING PLAN

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

#### 3.1. Financial appropriation from ERDF and IPA

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

Table 15

	2014	2015	2016	2017	2018	2019	2020	Total
ERDF	0	10.185.116	8.632.718	15.685.599	15.999.312	16.319.297	16.645.687	83.467.729
IPA amounts <i>(where applicable)</i>	0	1.914.430	1.622.636	2.948.320	3.007.287	3.067.432	3.128.782	15.688.887
ENI amounts <i>(where applicable)</i>								0
<b>Total</b>		<b>12.099.546</b>	<b>10.255.354</b>	<b>18.633.919</b>	<b>19.006.599</b>	<b>19.386.729</b>	<b>19.774.469</b>	<b>99.156.616</b>



### 3.2.A.Total financial appropriation from the ERDF + IPA

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

**Table 16: Financing plan**

	fund	Basis for the calculation of the Union support	Union support (a)	national counterpart (b)= (c )+(b)	national public funding (c)	national private funding (1) (b)	total funding (e) =(a) +(b) (2)	co-financing rate (f) = (a)/(e)	For information	
									Contributions from third countries	EIB contributions
Priority axis 1	ERDF		17.104.594	3.018.458	2.721.458	297.000	20.123.052	85,00%		
	IPA		3.315.858	585.152	522.152	63.000	3.901.01	85,00%		
Priority axis 2	ERDF		37.984.108	6.703.078	6.263.078	440.000	44.687.186	85,00%		
	IPA		6.960.835	1.228.384	1.059.149	169.235	8.189.219	85,00%		
Priority axis 3	ERDF		15.024.191	2.651.328	2.479.737	171.591	17.675.519	85,00%		
	IPA		2.482.972	438.173	438.173	0	2.921.145	85,00%		
Priority axis 4	ERDF		8.346.773	1.472.961	1.472.961	0	9.819.734	85,00%		
	IPA		1.429.222	252.216	252.216	0	1.681.438	85,00%		
Priority axis 5	ERDF		5.008.063	2.146.313	2.146.313	0	7.154.376	70,00%		
	IPA		1.500.000	264.706	264.706	0	1.764.706	85,00%		
<b>Total</b>	<b>ERDF</b>		<b>83.467.729</b>	<b>15.992.138</b>	<b>15.083.547</b>	<b>908.591</b>	<b>99.459.867</b>	<b>83,92%</b>		
<b>Total</b>	<b>IPA</b>		<b>15.688.887</b>	<b>2.768.631</b>	<b>2.536.396</b>	<b>232.235</b>	<b>18.457.518</b>	<b>85,00%</b>		
<b>Total</b>	<b>Total all funds</b>		<b>99.156.616</b>	<b>18.760.769</b>	<b>17.619.943</b>	<b>1.140.826</b>	<b>117.917.385</b>	<b>84,09%</b>		

### 3.2.B.Breakdown by priority axis and thematic objective

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

**Table 17**

<b>Priority axis</b>	<b>Thematic objective</b>	<b>Union support</b>	<b>National counterpart</b>	<b>Total funding</b>
Priority axis 1	Thematic Objective 1	20.420.452	3.603.610	24.024.062
Priority axis 2	Thematic Objective 6	44.944.943	7.931.462	52.876.405
Priority axis 3	Thematic Objective 7	17.507.163	3.089.501	20.596.664
Priority axis 4	Thematic Objective 11	9.775.995	1.725.177	11.501.172
Priority axis 5*	Technical assistance	6.508.063	2.411.019	8.919.082
<b>TOTAL</b>		<b>99.156.616</b>	<b>18.760.769</b>	<b>117.917.385</b>

\* Increased IPA Partner States according to art. 17 of ETC Regulation.

**Table 18: The indicative amount of support to be used for climate change objectives**

(Reference: Article 27(6) of Regulation (EU) No 1303/2013)<sup>12</sup>

Priority axis	Indicative amount of support to be used for climate change objectives (EUR)	Proportion of the total allocation to the programme (%)
Priority axis 1	2.081.222,00	2,10%
Priority axis 2	13.771.493,20	13,89%
Priority axis 3	7.002.865,20	7,06%
<b>Total</b>	<b>22.855.580,40</b>	<b>23,05%</b>

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<sup>12</sup> This table is generated automatically based on tables on categories of intervention included under each of the PAs.

## **SECTION 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT**

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

The Programme strategy addresses territorial challenges shared across the cooperation area and leverages its development potentials, reflecting the needs and potentials that can be effectively tackled. The consistency and complementarity of the strategy with national Partnership Agreements of the ERDF Partner States and the Strategy Country papers of the IPA Partner States has been verified, aiming for coordination with programmes of the “Investment for Growth and Jobs” goal. The national Partnership Agreements recognise the three TOs selected for the ADRION Programme as highly relevant, putting specific emphasis on the role of ETC in these thematic fields. The Programme strategy promotes smart, sustainable and inclusive growth through an integrated approach combining thematic and territorial dimensions in the design of the PAs, as summarised below. Consequently, supported operations will have to reflect this integrated territorial approach:

- Priority 1 (TO 1): Economic strength is unevenly distributed in the area, with R&D investments concentrated in few growth poles (mostly capital regions and agglomerations) and peripheral areas/regions with low competitiveness and brain drain. In particular, the latter regions face weak linkages between actors of the innovation systems. The priority tackles the regional disparities by strengthening these linkages within and between regions by supporting the innovation networks and clusters and by counteracting brain drain and social exclusion.
- Priority 2 (TO 6): Natural and cultural heritage are regional development factors that are at risk of deterioration (e.g. through fragmentation of habitats, biodiversity loss, pollution) and unsustainable use. Land use conflicts, the decline of urban environment and urban sprawl are also observed. The priority tackles these issues by improving capacities for integrated management approaches, thereby fostering the sustainable use of natural and cultural heritage and resources as well as an improved quality of the urban environment.
- Priority 3 (TO 7): The area is characterised by highly accessible core regions and peripheral regions with limited connections. Disparities in the quality of public transport services can be observed and have also negative environmental and social impacts. The priority tackles these issues by improving coordination of passenger transport systems within regions and across borders by better connecting peripheral regions to national and European transport networks and by improving coordination among freight transport stakeholders for multimodal environmentally-friendly freight solutions.
- Priority Axis 4 (TO11): This PA will act only at governance level to facilitate the EUSAIR implementation and it is consequently not related to a specific territorial challenge. Nevertheless, the support will be provided to the key implementers of the strategy and will benefit the involved territories by improving their institutional capacity to tackle territorial issues.

### **4.1 Community-led local development**

(Reference: point (a) of Article 8(3) of the ETC Regulation)

Not applicable.

#### ***4.2 Integrated actions for sustainable urban development***

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

No specific urban areas have been identified to implement sustainable urban development. Partners of all urban areas located in regions eligible to the ADRION Programme can participate to ADRION projects following the recommendations provided in the different priority axes and in the calls for projects.

#### ***4.3 Integrated Territorial Investment (ITI)***

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

Though the focus on urban areas or other specific areas is considered as important by the Partner States, the system of Integrated Territorial Investment (ITI) is not fully appropriate for transnational cooperation for the following reasons:

- The ADRION Programme is not investment-oriented even if it could support the preparation of large investments;
- It would necessitate the identification of specific intervention areas in the overall ADRION area, too complex and time consuming for the preparation of a transnational cooperation programme;
- Selected areas would cover only part of eligible regions or eligible countries;
- ITI must be implemented by bodies supported by at least two different countries. The setting up of such bodies would be quite challenging at transnational level, especially because the average transnational partnership is composed of 10-12 partners coming from several different countries.

For these reasons, and taking into account the fact that integrated territorial development is considered in a cross-cutting way in each PA, the Programme will not implement ITI.

#### **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 Member States and taking into account, where applicable, strategically important projects identified in those strategies**

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

The Programme strategy addresses territorial challenges shared across the regions of the cooperation area and leverages their development potentials.

It has been developed with the contribution of stakeholders, experts' research and the preparatory work for the definition of the EUSAIR Action Plan. Needs and challenges identified have been filtered having regard to the real capacity and available funds of the ADRION Programme.

Coherence with the Partnership Agreements and the Enlargement Strategy of ERDF Partner States and IPA Partner States respectively has been verified aiming at the coordination with all the ESIF and IPA II interventions; the thematic orientation of the ADRION reflects the overall consensus on Thematic Priorities in the Partner States, namely innovation, environment, accessibility and, last but not least, governance.

The ADRION strategy is aligned with EU2020 promoting smart, sustainable and inclusive growth through an integrated approach combining thematic and territorial dimensions in the three thematic Priority Axes (PA1, PA2 and PA3). PA4 supports the governance of the EUSAIR based on an integrated territorial development strategy.

Projects implemented with the support of the ADRION cooperation programme have to adhere to integrated territorial development too.

PA1 (TO1) focuses on innovation and aims at promoting the unique competitive advantages of the Programme area in order to enhance competitiveness and boost the creation of new jobs. As the territorial analysis demonstrated, the ADRION area is struggling toward building up efficient research and innovation systems, despite the existence of innovation poles in its periphery (Italy, Greece and Slovenia). R&D intensity is overall growing (about 0,75% in Croatia, 2,47% in Slovenia, 1,25% in Italy, 0,60% in Greece and an average of 0,3% in the Partner States) but efforts are still needed. For this reason, this Axis shall grant specific attention to Blue Growth and all the activities having strong links with the sea (such as marine and environmental industries, energy, tourism, culture connectivity).

PA2 (TO6) is acknowledging the rich natural and cultural heritage of the ADRION area both as a growth asset for tourism but also as a value *per se*. The ADRION Programme tries to combine the different interests of tourists, residents and economic operators, by promoting sustainable tourism, valorisation of the heritage and - last but not least - environmental protection as a condition *sine qua non* for the sustainability of tourism and heritage utilisation. The approach directly addresses the territorial dimension both as a chance for rural and less developed areas to grow, but also as a platform for the debate on spatial uses in the congested and much sought coastal zones.

PA3 (TO7) is containing a territorial dimension *per se* by addressing connectivity in the context of the spatial disparities between West and East but also across the dominating Adriatic and Ionian seas in the core of the ADRION area. The Programme is focusing on multimodality, logistics and environmental friendly and low carbon transport and mobility, contributing thus to the conciliation of the different uses and needs among regions and users.

The ADRION Programme is covered by a dedicated EU macro-regional Strategy, the EUSAIR and is partially overlapping with the EU Strategy for the Danube Region (EUSR ), which is long-established and relatively mature, and the EU Strategy for the Alpine Region (EUSALP), which is currently under development. Due to its geographical coverage, the ADRION Programme can potentially play an important role in exploiting synergies among the aforementioned macro-regions (and especially the EUSR due to the similarities in the composition of the Partner States and the opportunity to draw from lessons learnt), actively contributing to territorial integration beyond the macro-regional level.

The design of the ADRION strategy has been closely aligned to the pillars of the EUSAIR and in particular:

- PA1 on innovation addresses directly Pillar I on Blue Growth but also encompasses elements of the other three Pillars;
- PA2 on natural and cultural heritage and biodiversity addresses directly Pillar 4 on Sustainable Tourism through IP 6c, but also Pillar 1 on Blue Growth and 3 on Environmental Quality through IP 6d;
- PA3 on sustainable transport and mobility addresses directly Pillar 2 on connecting the Region and indirectly Pillar 3 through the promotion of environmental friendly low carbon transport and also Pillar 4 as a prerequisite for tourism;
- PA4 is focusing directly on the governance aspects of the EUSAIR, thus acting as an umbrella to all four pillars.

## SECTION 5: IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

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

### 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 the Authority/Body and Department or Unit	Head of the Authority/Body
<b>managing authority/certifying authority</b>	Regione Emilia-Romagna Direzione Generale Risorse, Europa, Innovazione e Istituzioni <i>(General Directorate Resources, Europe, Innovation and Institutions)</i> Italy	Mr Francesco Raphael Frieri
<b>audit authority</b>	Audit Authority Service ADRION Programme Italy	Mr Andrea Orlando

### *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)

<input checked="" type="checkbox"/> the managing authority	
<input type="checkbox"/> the certifying authority	

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

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

Authority/Body	Name of the Authority/Body and Department or Unit	Head of the Authority/Body
<b>Body or bodies designated to carry out control tasks</b>	Nationally appointed responsible bodies for centralised and decentralised control systems as defined in Article 125 (4) (a) of Regulation (EU) N. 1303/2013 (CPR) and Article 23 (4) of Regulation (EU) N. 1299/2013 (ETC)	



	<p><b>Albania</b> Ministry of European Integration, Directorate of Cross-Border and Transnational Cooperation Programmes Blv. “Dëshmorët e Kombit”, Sheshi “Nënë Tereza” 1010, Tirana</p> <p><b>Bosnia and Herzegovina</b> Ministry of Finance and Treasury BiH, Sector for Financing of the EU assistance Programmes and Projects, Central Financing and Contracting Unit (CFCU) Trg BiH 1, 71000 Sarajevo</p> <p><b>Croatia</b> Agency for Regional Development of the Republic of Croatia (ARD) Directorate for Financial Management and Accounting/First Level Control Service Vlaška 108, 10 000 Zagreb</p> <p><b>Greece</b> Certifying and Verifying Authority, First Level Control Unit, Navarchou Nikodimou 11, GR-105 58 Athens</p> <p><b>Italy</b> Agency for the Territorial Cohesion Via Sicilia, 162/c IT – 00187 Rome</p> <p><b>Montenegro</b> Ministry of Finance, Directorate for Finance and Contracting of the EU Assistance Funds (CFCU) Stanka Dragojevića 2, 81000 Podgorica, Montenegro</p> <p><b>Serbia</b> Ministry of Finance, Department for Contracting and Financing of EU Funded Programmes (CFCU), Division for FLC Sremska 3-5, 11000 Belgrade</p> <p><b>Slovenia</b> Government Office for Development and European Cohesion Policy (GODC), Control Division – ETC, IPA and IFM Programmes Kotnikova 5, 1000 Ljubljana</p>	<p>Head of Directorate of Cross-Border and Transnational Cooperation Programmes</p> <p>Assistant Minister</p> <p>Head of FLC Service</p> <p>Head of FLC Unit</p> <p>Structure to be defined</p> <p>Deputy Minister for Finance and Contracting of the EU Assistance Funds (CFCU), responsible for control tasks</p> <p>Head of First Level Control Division</p>
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<p><b>Body or bodies designated to carry out audit tasks</b></p>	<p>Nationally appointed responsible bodies participating in the group of auditors as defined in Article 25 (2) of Regulation (EU) N. 1299/2013 (ETC)</p> <p><b>Albania</b> Agency for the Audit of European Union Programmes Implementation System Rruga Elbasanit, Godina e ish-trikotazhit kati 4, Tirane</p> <p><b>Bosnia and Herzegovina</b> Ministry of Finance and Treasury of Bosnia and Herzegovina, National Fund Department Trg BiH 1, 71000 Sarajevo</p> <p><b>Croatia</b> Agency for the Audit of European Union Programmes Implementation System 4/V Alexandera von Humboldta Street, 10000 Zagreb</p> <p><b>Greece</b> Hellenic Ministry of Finance, General Accounting Office, Financial Audit Committee, Panepistimiou 57, GR – 105 64 Athens</p> <p><b>Italy</b> <i>To be communicated later</i></p> <p><b>Montenegro</b> Audit Authority of Montenegro Beogradska 24b, 81000 Podgorica</p> <p><b>Serbia</b> Audit Authority Office of EU Funds of the Government of the Republic of Serbia Nemanjina 11, 11000 Belgrade</p> <p><b>Slovenia</b> Ministry of Finance, Budget Supervision Office of the Republic of Slovenia Fajfarjeva 33, 1000 Ljubljana</p>	<p>Head of the Agency</p> <p>Assistant Minister</p> <p>Director of the Agency</p> <p>President of the Financial Audit Committee</p> <p>Auditor General</p> <p>Director of the Audit Authority Office of EU Funds</p> <p>Director of Budget Supervision Office</p>
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## ***5.2 Procedure for setting up the joint secretariat (JS)***

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

The JS is set up after consultation with the Partner States under the responsibility of the MA.

The JS shall be hosted at ART-ER Joint Stock Consortium premises, an in-house body of the Emilia-Romagna Region, and will be located in Bologna (Italy).

It shall assist the MA (including its function of CA), and the MC in carrying out their respective duties. It will also provide information to all potential beneficiaries on the ADRION funding opportunities and will assist beneficiaries in the implementation of selected operations.

The MA will initiate the selection procedure for the JS staff recruitment through an open competition, taking into consideration the approved terms of reference.

Contracting procedures with the selected candidates will be implemented according to the related Italian law and will ensure an equal treatment to all JS staff. The recruitment is open to candidates from any EU and IPA Partner State participating to the ADRION Programme.

The principles of equal opportunity and non-discrimination between males and females shall be taken into consideration in the recruitment of the JS staff.

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

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

This section describes the implementation structure of the ADRION Programme and, specifically, the bodies acting MA, CA, AA and JS. It also defines the tasks of each of the involved body, including the MC and describes their relations in the various processes necessary for the Programme implementation.

The Programme language is English.

Italy, Croatia, Greece, Slovenia, Albania, Bosnia and Herzegovina, Montenegro and Serbia as Partner States of the ADRION Programme have established a shared management system to manage, coordinate and supervise the ADRION implementation.

The Programme management follows the management structure applicable to all Structural Funds Programme. As regard IPA Partner States, Article 26 of Regulation (EU) No 1299/2013 shall apply. Based on that, general principles for management and control arrangements specified in the article 72 of the EU Common Provisions Regulation apply.

### ***Joint implementation structure and division of tasks between the different bodies***

#### **Monitoring committee (MC)**

The main functions of the MC are specified in the Article 49 and Article 110 of Regulation (EU) No 1303/2013.

In accordance with Article 47 of Regulation (EU) No 1303/2013, the Partner States, in agreement with the MA, will set up a monitoring committee within three months from the date of the notification of the European Commission's decision approving the Programme.

Members of the MC will represent the Partner States participating in the Programme on policy and administrative level and ensure a transparent approach.

#### **Composition of the monitoring committee**

The composition of the MC, according to article 48 (1) of Regulation (EU) No 1303/2013, is agreed by the Partner States. Each State shall be equally represented and complying with the partnership principle in managing, monitoring and evaluating the operations in all stages of programme implementation.

The MC shall be chaired by a representative of the Partner States or by the MA according to a rotation principle to be further defined.

The MC is made up of:

- Up to two representatives per each Partner State at the appropriate governance level;
- A European Commission's representative in an advisory capacity;
- The MA/CA in an advisory capacity;
- The JS in an advisory capacity and with the role of secretarial support to the MC;
- The AA as an independent observer;
- Representatives from the EUSAIR governance structures may participate with an observer status;
- If the EIB contributes to the Programme, it may participate in the work of the monitoring committee as an observer; ;
- Transnational economic and social partners and transnational non-governmental organisations may participate as an observer according to the code of Conduct Partnership;
- Representatives of the strategic project of Priority Axis 4 or any other expertise may be invited by the MC to participate to the meeting according to the Agenda with an observer status.

As a principle, decisions by the MC shall be taken by consensus whereby each Partner State shall have one vote. The MC shall draw up and adopt its Rules of Procedure.

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

#### Role and tasks of the MC

The MC, in accordance with Article 49 of the Regulation (EU) No 1303/2013, shall review the Programme implementation and its progress towards achieving its objectives, and, more specifically, it will carry out the functions listed in Article 110 of the Regulation (EU) No 1303/2013.

The MC will also adopt the methodology, criteria for selection of projects and eligibility rules before the launch of each call for proposals. It will select the projects to be funded by the ADRION Programme in line with Article 12 of Regulation (EU) No 1299/2013. The MC will acknowledge the management and control system description that will form the basis for the designation of the programme authorities according to Article 124.2 of the Regulation (EU) No 1303/2013 before submission of the system to the AA for opinion.

Decisions of the MC will be free from bias and must not be influenced by any partial personal or organisational interests of any individual members of the MC.

#### Managing authority with additional functions of certifying authority (MA/CA)

The MA/CA is assisted by the JS and shall be responsible for managing and implementing the ADRION 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.

The MA/CA, according to the Article 24 of Regulation (EU) No1299/2013, shall also carry out the functions envisaged in Article 126 of Regulation (EU) No 1303/2013.

The MA/CA shall act for the benefit of the whole Programme and, in line with its coordination role, it shall do its best to ensure that all Programme bodies interact in a smooth way. It shall act, in implementing its tasks, in full accordance with the Italian institutional, legal and financial provisions.

The MA/CA is in charge of the transmission of information and data to the MC and to the European Commission, including 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 MA/CA, after consultation with all the Partner States, will set up the JS as described in paragraph 5.2.

The MA/CA:

- Is responsible for drawing up and submitting to the European Commission payment applications and certifying that these result from reliable accounting systems, they shall be based on verifiable supporting documents and have been subject to verifications by the MA/CA before being sent to the European Commission;
- Is responsible for drawing up the annual accounts, certifying their completeness, accuracy and veracity and ensures that the expenditure entered in the accounts complies with applicable EU and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the cooperation programme and complying with EU and national rules;
- Shall set up effective and proportionate anti-fraud and anti-corruption measures taking into account the risks identified (Regulation (EU) No 1303/2013, Article 125(4)(c)). It shall ensure that: anti-fraud checks shall be done in cooperation with the representatives of the countries participating to the Programme (e.g.: NCPs); in this respect it shall elaborate guidance notes and a check grids with regard to this specific topic will be elaborated to ensure checks consistency and equal treatment towards all partners; anti-fraud checks shall be implemented only on those operations which will likely be proposed for funding to the MC;
- Shall verify the presence of double funding through ad hoc questions in the Application Form and exchange of information with at least the transnational cooperation programmes operating/partly operating in the same geographical area of the ADRION Programme;
- Shall ensure that the eventual presence of conflict of interest will be dealt in the MC Rules of Procedures;

The MA also carries out the functions of the CA. In this role the MA/CA:

- Ensures the drawing up and the submission of the payment applications to the European Commission;
- Certifies that payments applications to the European Commission result from reliable accounting system and based on verifiable supporting documents;
- Certifies that the information as in the point above have been verified by the MA with regard to the completeness, accuracy and veracity of the annual accounts and that the expenditure entered in the accounts complies with applicable Union and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable complying with Union and national rules;
- Provides the MA, according to Article 112.1 of Regulation (EU) No 1303/2013, by 31 January, 31 July and 31 October of each year the following information per PA:

- The total and public eligible costs of the operations and the number of operations selected for support;
  - The total eligible expenditure declared by beneficiaries, ensuring that, in the delivery to be submitted by 31 January, data are broken down by category of intervention; such information fulfils the additional requirements on financial data as in Article 50.2 of Regulation (EU) No 1303/2013;
  - Ensures that the transmissions to be done by 31 January and 31 July above also contain a forecast of the amount for which the MA expects to submit payment applications for the current financial year and the subsequent one; and that the cut-off date for the data submitted refers to the end of the month preceding the one of submission;
  - Submits all the relevant data above in accordance to art. 2 and Annex II of the Implementing Regulation (EU) No 1011/2014;
- Ensures the MA that any amount paid as a result of an irregularity is recovered from the lead partners (Article 27(2) of the Regulation (EU) No 1299/2013).
  - Ensures that the drawing up and further submission of payment application have taken into account the results of the audits carried out both directly or under the responsibility of the AA;
  - Keeps an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Recovered amounts shall be repaid to the European Commission prior to the closure of the operational programme by deducting them from the subsequent statement of expenditure;
  - Prevents, detects and correct irregularities exceeding EUR 10.000 and recovers amounts unduly paid, together with an interest on late payments; it informs on the progress in all administrative and legal proceedings; communicates cases of bankruptcies as well as cases of suspected fraud;
  - Ensures that the submission of payments applications has been preceded by the receiving of adequate information from the MA on the procedures and verifications carried out in relation to expenditure;
  - Draws up, by 15 February of the following financial year, and according to Article 137 of Regulation (EU) No 1303/2013 and 59.9 of the Financial Regulation, the accounts on the incurred expenditure including pre-financing and the sums for which recovery procedures are underway or have been completed. The information shall be accompanied by the management declaration. It must certify the completeness, accuracy and veracity of the accounts and that the expenditure entered by the funded operations are appraised according to the approved selection criteria or by the TA projects implemented by the NCPs;
  - Confirms that the Programme has a system which records and stores in a computerized form, accounting records for each operation and which supports all the data required for drawing up payment application and amounts; that the system is regularly updated following the cancellation of all or part of the contribution for an operation or operational programme;
  - Elaborates payments applications (Article No 131.1 of Regulation (EU) No 1303/2013) providing, for each priority, information on the total among or eligible expenditure incurred by beneficiaries and paid in implementing operations, as entered in the accounting system and the total amount of public expenditure incurred in implementing operations;
  - Receives the payments made by the European Commission (pre-financing, interim payments and the payment of the final balance as defined in Article 77(2) of of Regulation (EU) No 1303/2013) and makes payments to the Lead Partner in accordance with art. 132 of of Regulation (EU) No 1303/2013 and art 21.2 of Regulation (EU) No 1299/2013;

- Submits the final application for an interim payment by 31 July following the end of the previous accounting year and before the first application for interim payment for the next accounting year (art 135.2 CPR) and after the submission of the annual implementation report to the European Commission;
- Maintains accounting records in a computerised form of expenditure declared to the European Commission and the corresponding public contribution paid to the project partners.

The MA and CA are hosted by the General Directorate, Territorial and negotiated planning. Agreements. European and International Relationships and respond both to the General Director. MA and CA structures work separately and are each other independent. The two structures will have ad hoc personnel; segregation of functions shall be ensured.

Within the MA, separation of functions regarding the selection of operations (art. 125.3 of Regulation (EU) No 1303/2013) and the financial management and control of the cooperation programme (art. 125.4) shall be ensured. The functions shall be implemented by different officials. Segregation of functions shall be described in the description of the management and control system.

#### Audit authority (AA)

The audit authority (AA) will carry 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 AA 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 operations on the basis of the declared expenditure. 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 AA shall, within eight months of adoption of the ADRION Programme, prepare an audit strategy of performance and audits. The audit strategy shall set 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 Regulation (EU) No 1299/2013, the AA will be assisted by a Group of Auditors (GoA) comprising of representatives from responsible bodies of each Partner State participating in the ADRION Programme carrying out the above listed duties detailed in Article 127 of the of Regulation (EU) No 1303/2013. The representatives have to be independent from the MC members, the controllers designated according to Article 23(4) of Regulation (EU) No 1299/2013 and any operation's activities and finances. The GoA will be set up within three months of the decision approving the ADRION Programme at the latest. It will draw up its own rules of procedure and will be chaired by the AA.

Where audits and controls are carried out by a body other than the AA, the AA shall ensure that such bodies have the necessary functional independence. The decision on the body carrying out the system audits and the checks on expenditure will be taken by the AA in cooperation with the GoA during the process of designing the audit strategy of the Programme.

Each Partner State shall be responsible for the audits carried out on its territory.

The AA shall in the implementation of its tasks, act in full accordance with Italian institutional, legal and financial provisions.

### Joint secretariat (JS)

According to article 23 of Regulation (EU) no 1299/2013, the joint secretariat (JS) assists the MA with additional functions of CA and the MC in carrying out their functions. The JS provides information to potential beneficiaries about funding opportunities under the ADRION Programme and assists beneficiaries in the implementation of operations. It sets up and maintains contacts with lead partners and their partnerships.

More specifically, the JS ensures at transnational level coordination, follow-up and promotion activities and provides technical support for the preparation of meetings and events at the programme and projects level (MC meetings, transnational conferences and transnational working groups, lead partners seminars, other specific thematic meetings).

The JS facilitates, assesses and ensures that project 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 partners.

The annual work plans and reports of the JS have to be approved by the MC prior validation of the MA. The set-up and functioning of JS, including its activities, shall be funded from the TA budget.

### National contact points (NCPs)

Each Partner State will set up and manage an ADRION national contact point (NCP) whose main task is to represent the Programme in the concerned country. The NCPs shall complement the activities of the JS in the Partner States, and may carry out, other specific activities at national level. The JS shall coordinate the network of the ADRION NCPs.

The main mandatory tasks of the Adriatic-Ionian NCPs are:

- To assist the JS in the Programme implementation process;
- To contribute to the information and publicity actions within their respective country;
- To support the national committees or corresponding national procedures in fulfilling their transnational tasks;
- To serve as a contact point for project applicants, partners and stakeholders at national level by providing assistance for the project generation.

### *Responsibilities of the Partner States*

Partner States retain three main responsibilities in the ADRION Programme:

- As national authorities they nominate representatives of the MC and ensure a NCP in order to contribute to the general animation and coordination of the Programme in their territory and bear financial responsibilities in line with what is established in paragraph 5.4;
- As national controllers they are responsible for the verification of expenditure of beneficiaries located in their territory at the appropriate governance level;
- As members of the GoA they participate in audit activities and are responsible for audits carried out in their territory.

All Partner States agree to apply the partnership principle as laid down in Article 5 of the Regulation (EU) No 1303/2013 and to cooperate for the optimal management and control of the Programme and for its sound implementation.

The Partner States may lay down in writing rules governing their relations with the MA and AA, the relations between such authorities, and the relations of such authorities with the European Commission.



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

### *Organisation of the assessment and selection of operations*

Project applications can be submitted following direct awarding procedure or calls for proposals whose terms of reference will be published on the ADRION Programme website. Support and guidance to applicants on types of operations as well as on application and implementation procedures) will be given through call-specific information documents as well as events and trainings carried out by the MA and JS in cooperation with the NCPs. Details of the selection procedure will also be made available to all applicants through the Programme Manual. The applications submitted will be made available to the MC members.

A set of eligibility criteria including antifraud measures will be defined to ensure the accomplishment of formal requirements of submitted applications and approved by the MC. The set of eligibility criteria will include also the transnationality of partnership (involving beneficiaries from at least three countries participating to the Programme, at least one of which shall be from a EU Partner State).

The JS checks the applications against the eligibility criteria. Proposals that are not eligible are rejected by the decision of the MC.

### *Selection criteria*

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

The JS undertakes the quality assessment of applications assisted by external assessors if appropriate, and the MA submits the assessment to the MC for its decision.

The evaluation and assessment of applications by the JS, and the project approval made by the MC are performed on the basis of objective criteria specified in the evaluation and assessment grids as approved by the MC and explained in the manual of the Programme Manual.

The evaluation criteria will be defined with the aim to maximise the result-oriented approach to be applied by the ADRION Programme for projects able to deliver concrete and visible outputs and results, in response to well identified challenges affecting the Programme area and addressing development needs in an integrated manner.

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

- Transnational relevance;
- Partnership relevance;
- Concrete and measurable results;
- Durable outputs and results;
- Coherent approach;
- Sound project communication strategy and tools;
- Effective management;
- Sound budget.

The MC proceeds with the selection of projects. The MA informs in writing and according to the e-cohesion principle each Lead Applicant about the results of the selection process. The results shall be also spread by internet as established in art.115 (2) of Regulation (EU) No 1303/2013.

### *Resolution of complaints*

The procedures set in place for the resolution of complaints are different in accordance with the object of the complaint:

a) complaints related to assessment and selection:

- Project Lead Applicants will be informed in writing about the reasons why an application was not considered as eligible or quality relevant for being approved. Any complaint related to the assessment shall be submitted by the Lead Applicant to the MA/JS that, in collaboration with the MC, will examine and provide its position regarding the merit of the complaint. The MC may also set up a task force or a sub-committee to deal with complaints.

b) complaints related to decisions made by the MA/JS during project implementation:

- Any complaints in relation to decisions made by the MA/JS during project implementation or by the MC decisions on the basis of the subsidy contract shall be submitted by the project Lead Partner to the MA/JS that will examine and provide an answer (in collaboration with the MC if necessary).

c) complaints related to the national control system:

- Project Lead Partners or partners that have complaints related to the national control system set up in accordance with Article 23(4) of the of Regulation (EU) No 1299/2013, can file a complaint to the national control coordination body of the relevant Partner State following national procedures set in place in accordance with Article 74(3) of Regulation (EU) No 1303/2013.

Further information on the procedure for the submission of complaints will be laid down in the relevant Programme documents and duly communicated both to applicants and beneficiaries.

### *Contracting procedures*

Following the decision of the MC to approve applications recommended for funding following the technical quality assessment performed by the MA/JS, the MA and the Lead Partner sign individual Subsidy Contract for each project. The contract includes also IPA funding allocated to the operation.

Non availability of IPA funds has no consequences on the approval of ERDF partners in the same project; the project would be implemented by ERDF partners without the IPA partners, if affected by the mentioned non availability of funds.

The MA will use a standard template for the subsidy contract approved by the MC and 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 Partner, appointed by the partnership, in accordance to Article 13 of the of Regulation (EU) No 1299/2013, and is signed by the legal representative of the Lead Partner institution and by the MA.

The subsidy contract lays down all the necessary implementing arrangements for the operation. It will also include legal redress in case of litigation.

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

### *Arrangement for management verification and related quality controls*

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

Partner State participating in the ADRION Programme verifies that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid and that it complies with applicable Union, Programme and national law, and the conditions for support to the operation (Art. 25(4) of Regulation (EU) No 1299/2013).

Partner State shall designate the body or person responsible for carrying out such verifications in relation to beneficiaries on its territory ("controllers") and shall also be responsible for verifications carried out in its territory.

For the ADRION Programme, such verifications are carried out by the controllers designated according to each Partner State control system (centralised or decentralised).

Partner States shall also ensure 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.

The MA shall ensure that the expenditure of each beneficiary participating to an operation has been verified by a designated controller.

In order to simplify administrative procedure and improve the management of the programme, the MA will promote harmonisation and coordination activities through the adoption of common standard levels and coordination activities between the national control systems by establishing, through the support of the JS, a network of bodies/authorities in charge of the first level control.

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

The JS performs all the necessary checks in order to ensure the existence of the project and its compliance with the approved application according to the requirements set forth in the subsidy contract. Moreover, the MA checks the accuracy of payment claims and determines the amount of contribution to be paid in relation to the total amount of verified and certified expenses; the MA, in its additional functions of CA, validates the payment claim and adopts all the necessary measures in case of irregularities or frauds.

The effective functioning of the control system set in place by each Partner State shall be verified through different types of controls and according to the principle of proportionality.

#### *Reimbursement from the managing authority to the lead partners*

In accordance with Article 13 of the Regulation (EU) No 1299/2013, for each operation project partners shall appoint a Lead Partner. The Lead Partner shall assume overall responsibility for the application and implementation of the entire operation, including the handling of Union funds.

National co-financing for operations must be provided by the project partners according to their respective national mechanisms. All operations have to be pre-financed by the project partners.

The MC may give the mandate to the MA to explore the option of a pre-financing mechanism for projects.

Expenditure of all partners has to be validated by the authorised national controllers.

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

Based on checks of the reports undertaken by the JS and in accordance with Article 21(2) of the Regulation (EU) No 1299/2013 and Article 132 of Regulation (EU) No 1303/2013, the MA shall ensure payments to the Lead Partner which is responsible for transferring the Union contribution to the partners participating in the operation.

In accordance with Article 80 of the of Regulation (EU) No 1303/2013 and with Article 28 of Regulation (EU) No 1299/2013, amounts set out in the Programme submitted by Partner States and statements of expenditure shall be expressed in Euro. All payments to the Lead Partners shall be made in Euro.

#### *Contribution of the Partner States to the financing of the technical assistance*

On programme level, the technical assistance (TA) is jointly financed by the Partner States. In accordance with Article 17 of Regulation (EU) No 1299/2013, the TA is financed by a maximum of 6% of the total ERDF amounts. As far as IPA Partner States are concerned and with reference to Article 26 of Regulation (EU) No 1299/2013, Article 17 of the same Regulation will apply. Details on the TA budget are laid out in Section 3.

Each Partner State shall transfer its national co-financing share for TA to the account of the MA. National co-financing of the TA budget is provided as advance payment starting at the latest with 2015 on an annual basis in proportion to the individual share of total ERDF and IPA funding of the Partner States.

A report on the payment situation shall be given by the MA to the MC on a regular basis. Use of interest raised by Union funds (after deduction of charges for transnational transactions) and *ex-ante* national contributions bank accounts, will be subject to a MC decision.

Further technical and financial details will be laid out in the TA Manual.

#### *Information and communication*

In line with Articles 115 and 116 of Regulation (EU) No 1303/2013, a communication strategy will be drafted and submitted to the MC no later than 6 months after the adoption of the Programme to ensure transparency towards and information of relevant partners and stakeholders.

The strategy will define specific communication objectives, target audiences, messages as well as tactics and tools to support the achievement of wider Programme goals. It will take into account detailed rules concerning information and communication measures as laid down in Article 115 and Annex XII of Regulation (EU) No 1303/2013. The strategy will be valid for the whole programming period, complemented by annual work plans.

The Programme and all projects communication activities shall comply with a coordinated branding introduced on a voluntary basis by ETC programmes for the 2014-2020 period.

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

The Partner States shall support the MA to ensure effective application of the information and publicity requirements by taking appropriate steps to disseminate information and provide publicity within their territory.

#### *Programme evaluation*

The Programme has been subject to an *ex-ante* evaluation of independent evaluators with the aim to improve programme quality and to optimise the allocation of budget resources. The recommendations of this evaluation have been taken into account during the drafting of this Programme.

In accordance with Article 56 and 114 of Regulation (EU) No 1303/2013, the MA will draw up an evaluation plan which will be approved by the MC in line with provisions as laid down in Article 110(2)(c) of Regulation (EU) No 1303/2013. In accordance with Article 56 of the Regulation (EU) No 1303/2013, evaluations will be carried out to assess the effectiveness, efficiency and impact of the Programme. During the programming

period, evaluation will assess how support from the funds has contributed to the objectives for each PA and also the territorial coverage of the Programme area. All evaluations, recommendations and follow-up actions will be examined and approved by the MC.

In compliance with Article 57 of the of Regulation (EU) No 1303/2013, the *ex-post* evaluation lies in the responsibility of the European Commission.

#### *Computerised exchange of data*

As stipulated in Articles 74 and 112 of the of Regulation (EU) No 1303/2013, data exchange with the European Commission will be carried out electronically through an electronic monitoring system (e-MS).

The e-MS shall provide data and information needed to fulfil management, monitoring and evaluation requirements.

In accordance with Article 122 of Regulation (EU) No 1303/2013, the ADRION Programme will ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and the MA/CA and AA shall be carried out by means of an electronic data exchange system.

The ADRION MA will ensure all the efforts to achieve a full Programme digitalization also according to the development of IPA regulations on this administrative matter.

The e-MS will comply with the following aspects:

- Data integrity and confidentiality;
- Authentication of the sender within the meaning of Directive 1999/93/EC4108;
- Storage in compliance with retention rules defined in Article 140 of Regulation (EU) No 1303/2013; secure transfer of data;
- Availability during and outside standard office hours (except for technical maintenance activities);
- Accessibility to the e-MS by the beneficiaries either directly or via an interface for automatic synchronisation and recording of data with national, regional and local computer management systems;
- Protection of privacy of personal data for individuals and commercial confidentiality for legal entities;
- In order to transfer data to the European Commission, the administration system of the e-MS shall facilitate interoperability with the Union frameworks as required by Article 122(3) of Regulation (EU) No 1303/2013.

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

#### ***5.4 Apportionment of liabilities among the Partner States in case of financial corrections imposed by the managing authority or the European Commission***

(Reference: point (a)(vi) of Article 8(4) of the ETC Regulation)

Without prejudice to the Partner States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to Article 122 (2) of Regulation (EU) No 1303/2013, the MA shall ensure that any amount paid out as a result of an irregularity is recovered from the project via the Lead

Partner. According to Article 27 of Regulation (EU) No 1299/2013, the project partners shall repay the Lead Partner any amounts unduly paid.

The MA shall also recover funds from the Lead Partner (and the Lead Partner from the project partners) following a termination of the subsidy contract in full or in part based on the conditions defined in the Subsidy Contract.

If the Lead Partner does not succeed in securing repayment from another project partner or if the MA does not succeed in securing repayment from the Lead Partner despite all measures adopted, the Partner State on whose territory the project partner concerned is located shall reimburse the MA any amounts unduly paid to that partner, according to the Article 27 (3) of Regulation (EU) No 1299/2013.

The MA is responsible for reimbursing the amounts recovered to the general budget of the Union, in accordance with the apportionment of liabilities among the Partner States (please, see below). The MA will reimburse the funds to the European Commission once the amounts are recovered from the Lead Partner/Project Partner/Partner State.

Details on the procedure shall be included in the description of the management and control system to be established in accordance with Article 72 of Regulation (EU) No 1303/2013.

In parallel to/after reimbursement of the irrecoverable amount by the Partner State to the MA, the Partner State holds the right to secure repayment from the project partner located on its territory, if necessary through legal action.

For this purpose the MA and the Lead Partner shall assign their rights arising from the Subsidy Contract and the partnership agreement with the Partner State concerned (ERDF partner as well as IPA II partner).

In the case of irregularities discovered by the European Court of Auditors or by the European Commission, which result in certain expenditures being considered ineligible and in a financial correction being the subject of a European Commission decision on the basis of Articles 144 to 147 of Regulation (EU) No 1303/2013, the financial consequences for the Partner State are laid down in the section “liabilities and irregularities” below. Any related exchange of correspondence between the European Commission and the Partner State will be copied to the MA/JS; the latter will inform the AA and the GoA.

#### Apportionment of liabilities among the Partner States

The Partner States will bear liability in connection with the use of the Programme ERDF and IPA funding as follows:

- For project-related expenditure granted to project partners located on its territory, liability will be borne individually by each State participating to the Programme;
- In case of a systemic irregularity or financial correction (the latter decided by the European Commission), the Partner States will bear the financial consequences in proportion to the relevant irregularity detected on the respective participating State territory. Where the systemic irregularity or financial correction cannot be linked to a specific Partner State territory, the Partner States will be responsible in proportion to the ERDF/IPA contribution paid to the respective national project partners involved.
- For the TA expenditure incurred by the MA, the liability related to administrative irregularities shall be borne by the MA.

If the MA/CA, JS or any Partner State becomes aware of irregularities, it shall without any delay inform the liable State or MA in its additional functions of CA, which shall ensure the transmission of information to the AA/GoA, where relevant.

In compliance with Article 122 of Regulation (EU) No 1303/2013, each Partner State is responsible for reporting irregularity committed by beneficiaries located on their territory to the European Commission and at the same time to the MA. If the Partner State does not comply with its duties arising from these provisions, the MA is entitled to suspend payments to all project partners located on the territory of the affected country.

The Financing Agreement with the IPA Partner States shall clearly state that each beneficiary country hosting a project partner shall be responsible for preventing, detecting, making decisions on and correcting irregularities made by public private as well as private partners.

The ADRION Programme requires, when spending ERDF funds by means of public contract/concessions, the public bodies and public equivalent bodies of the ERDF Partner States will have to respect EU public procurement rules and in particular (i) Directive 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation; (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU. Public procurements in Albania, Bosnia and Herzegovina, Montenegro and Serbia should comply with EU external aid rules.

### **5.5 Use of the Euro**

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

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 European Commission in the month during which expenditure was submitted for verification to the MA or the controller (option b set up by the Article 28 of Regulation (EU) No 1299/2013. The conversion shall be verified by the controller in the Partner State where the partner is located.

### **5.6 Involvement of partners**

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

*Actions taken to involve the partners 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 monitoring committee (regional and local authorities, competent urban and other public authorities, economic and social partners, relevant bodies representing civil society (including environmental partners), non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination).*

Summary of the process of the preparation of the cooperation programme

The ADRION Programme has been elaborated following the code of conduct elaborated by the European Commission.

In August 2013 the European Commission, in order to ensure the coherence with the forthcoming EUSAIR, decided to re-define the geographic scope of the South East Gateway programme so as to geographically match it with the strategy: the new ADRION Programme area was adapted to the 8 countries involved in the Strategy.



The cooperation programme preparation process lasted about one year starting in August 2013. The Task Force was reorganised and refocused on the ADRION Programme, which is composed of the 8 countries of the forthcoming macro-regional strategy.

The re-adjusted 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 cooperation programme 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 Task Force launched a call for applications towards institutions willing to act as the future MA: the procedure was closed in May 2014 with the appointment of the Emilia-Romagna Region as the future MA of the ADRION Programme.

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

The Task Force set up a restricted working group in charge of accompanying the preparation of the PA 4 focused on TO11 addressing the support to the governance and implementation of EUSAIR under the coordination of Slovenia. Its members have been appointed by the Partner States, as well as by MA, European Commission desk officer and an INTERACT representative as external observers.

A total number of 8 Task Force meetings took place during all the preparation process.

#### Description of the involvement of the partners

The aim of the process was to validate strategic choices (thematic concentration) for the ADRION Programme and to collect additional inputs and suggestions as well as ideas on potential transnational actions to be supported. For the preparation of the ADRION Programme, partners have been involved through a consultation launched on the programme level.

The ADRION Programme launched on its website its own public online consultation on its priorities between the 27<sup>th</sup> June and 17<sup>th</sup> July 2014 whose results have been presented to the Task Force on July 21<sup>st</sup> 2014 in Bologna (Italy).

In the framework of the programming process the Task Force organised also two transnational thematic events in Italy (Ancona – 3<sup>rd</sup> September 2014) and Croatia (Split – 5<sup>th</sup> September 2014) aimed at collecting inputs from the public about their expectation from ADRION Programme and the possible additional results and actions for the fine-tuning of the programme strategy. The thematic workshops have been organized in one plenary and 3 working parallel sessions focusing on the Programme Pas (Innovative and Smart Region, Sustainable Region, Connected Region).

Based on the mailing list used for the online consultation, 2.611 persons received the invitation with the agenda and a registration form (both documents were also available on the SEE Programme website [www.southeast-europe.net](http://www.southeast-europe.net)). More than 200 stakeholders attended the 2 events (142 in Italy and 66 in Croatia, respectively).

The participants represented a balanced a mix of backgrounds, i.e. from academia, local authorities, development agencies and privates. 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 PAs,
- Some suggestions for improving the Programme management and implementation.



All the presentations both of the plenary sessions and of the working groups as well as the list of participants were published on the SEE Programme website.

Between July and October 2014 the consultation of the Environmental Authorities of the Partner States concerning the impact of the programme on the environment has also been achieved.

### Selection of partners

The consultation within the ADRION Programme 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 European 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 the Partner States;
- (b) SEE and IPA CBC Adriatic project partners;
- (c) Programme’s target groups having a possibility to connect to the websites (programme, regions, states);
- (d) Key implementers of the EUSAIR governance structure.

The notification about the survey was sent out by e-mail to 2.611 addresses.

### List of partners involved in the consultation process

The survey has been launched on July 2<sup>nd</sup> until 18<sup>th</sup> of July 2014 (16 days) through an online tool provided by the drafting team.

The invitation was sent to 2.611 stakeholders. The mailing list has been based upon both the inputs received from the Task Force members, on the SEE database and on the online registration.

The response rate was normal considering a rather short timeframe: 322 recipients answered the survey, which is about 12 %. The respondents/population ratio of the eligible regions confirms the overall balance within the eligible area in terms of participation.

When it comes to participation rates per category of respondents (table 2), 31% are from research and education bodies, 23% from central/regional PA, 14% from local public authorities, 13% from development agencies/NGOs, 8% from chambers, unions and associations, 7% are undertaking profit oriented and finally 4% represent respondents from outside the Programme area.

The overall balance of return rate per category ensures that data can be fairly compared but the high percentage of central/regional PA (TO6) and Research and education institutions (TO1) has certainly influenced the ranking of the TOs and IPs.

### Action taken to facilitate the participation of partners

The ADRION Programme informed partners about the launch of the consultation process on the SEE website and national authorities informed through their own institutional websites relevant bodies, authorities and partners in their respective country.

The stakeholders included in the lists provided by the Partner States, the project partners, the subscribers of the ADRION newsletter 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 IP. 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 TOs is overall in line with the pre-selection made by the Task Force, TO1 (research), TO6 (environment), which is considered more than highly relevant for the ADRION area, followed by TO10 (education) and TO7 (transports) which are ranked 3<sup>rd</sup> and 4<sup>th</sup>.

TO4 (low-carbon) is positioned as 7<sup>th</sup> objective but it is even so considered more than relevant by the respondents. It should be noted that, although TO9 (social inclusion) is the last ranked, the spread between the top and the bottom of the list is about 5% as no TO is deemed as scarcely relevant or useless.

TO11 (governance) ranked 5<sup>th</sup>, regarding the proposed actions few themes have been identified such as “improvement of administrative and governance capacity” or “strengthening of thematic clusters role” and “enhancing the multilevel governance” for a total of 16 specific inputs, whilst attention to “training and education” (TO11) on capacity building is felt important by stakeholders.

As for Investment Priorities (IPs) preferences, the results per category are overall consistent with the choices made through the question related to the choice of TOs:

*TO1 - Research: IP 1.a and 1.b:* apart from respondents from the category “other”, innovation is ranked first by all, research and education and development agencies/NGOs in particular. The spread between the two IPs is limited (8% on average).

*TO4 – Low carbon: IP 4.c and 4.e:* Results are a little bit more varied. Efficiency is ranked first compared to the urban IP, but a few differences are detected among the categories of respondents as profit-oriented respondents considered, on average, the urban IP as more relevant than the efficiency one and for respondents outside the Programme area the two IPs are equally relevant.

*TO6 – Environment IP 6.c, 6.d and 6.e:* Respondents equally lean on the heritage and biodiversity IPs, while urban environment is ranked second. Local PA, research and education and chambers, unions and associations privileged the heritage IP while central/regional PA, development agencies/NGOs, profit-oriented and other respondents rather selected the biodiversity priority. Urban IP is never ranked first among the three available choices but local PA and research and education bodies classed it second soon after the heritage priority.

*TO7 – Transport:* the IP related to TO7 is deemed more than highly relevant by almost all the categories of respondents apart from those from central/regional authorities and research and education area, which consider it relevant.

Overall, the top three (3) IP list was composed by

- IP 1.b innovation (TO1),
- IP 1.a infrastructure (TO1)
- IP 7.c transport (TO7) although the single priority under TO7 might partially bias the ranking as a single choice was available.

Based on the consultation results, the Task Force agreed to focus the programme strategy on only 3 TOs and to include some of the intervention areas covered by the TO4 (Low-carbon such as the energy efficiency) as one potential horizontal focus under PA1 and PA3.

The improvement of administrative and governance capacity, even if specifically addressed by the TO11, will be considered as a cross-cutting theme for all the PAs as TO10.

#### Description of the involvement of partners in the implementation of the cooperation programme and involvement in the MC

The involvement of relevant partners in the implementation of the ADRION Programme will be foreseen for the following 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 European Structural and Investment (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.

Due to the large area covered by the programme the participation of relevant partners in the programme the MC - according to Articles 5(2) and 47 of the Regulation (EU) No 1303/2013 - will be organised through national coordination committees or other mechanisms/bodies as provided for by the respective national rules) preparing and supporting the MC members in the execution of MC tasks, including the preparation of calls for proposals and programme progress reports as well as the monitoring and evaluation of the programme.

## SECTION 6. COORDINATION

(Reference: point (a) of Article 8(5) of the ETC Regulation)

#### Coordination with the other ESI Funds (ERDF, ESF, Cohesion Fund, EAFRD, EMFF), particularly in relation to programmes under the Investment for Growth and Jobs Goal

In compliance with Article 10 and Annex I of the Regulation (EU) No 1303/2013, coordination and use of synergies with other European Structural and Investment (ESI) Funds as well as with other relevant Union policies, strategies and instruments, including those in the framework of the Union's External Action Member States, have to be pursued. This section gives an overview on the principles followed for implementing the ADRION Programme in a complementary and coordinated manner with the relevant instruments and funds in accordance with the principles of subsidiarity and proportionality.

For the elaboration of the ADRION Programme, the choice of TOs, IPs and SOs took into account the priorities highlighted in the Partnership Agreements of the EU Partner States and the Strategy Country paper of the IPA Partner States involved as well as the main challenges pinpointed in the regional and national programmes of Investment for Growth and Jobs.

ETC programmes have great potential for facilitating the implementation of national and regional programmes supported by the ERDF, ESF, Cohesion Fund, EAFRD and EMFF by allowing stakeholders to tackle common challenges and needs beyond administrative borders. Coordination and complementarity with other ESI funds is fundamental, especially in terms of investment planning and preparation which can be accomplished at regional and local levels based on operations supported by the ADRION Programme.

The ADRION Programme will seek coordination through the following measures:

- Applicants proposing actions with a focus on investment preparation will have to explain how to link to other national and regional programmes of the Investments for Growth and Jobs goal supported by the ERDF and ESF as well as with the Cohesion Fund, EAFRD (in particular with reference to the Leader initiative) and EMFF programmes;
- National coordination committees (or other mechanisms/bodies as provided by national rules) supporting the MC members (as described in Section 5.6) will involve representatives of institutions participating in the implementation of national and regional programmes supported by the ESI funds, seeking (to the possible extent) to achieve coordination at all stages of the programme lifetime;
- The MA and the JS in cooperation with the ADRION network of NCPs will communicate outputs and results of ADRION operations through relevant tools and measures implemented both at the transnational and national levels as defined in the programme communication strategy.

Regarding coordination with other ESI funds, special attention will be given to the possibility of synergies with other programmes of the ETC objective. In this regard, the ADRION Programme will seek exchanges with the managing authorities of other geographically overlapping ETC programmes. Efficient coordination with these neighbouring transnational programmes shall be accomplished through the:

- Exchange of information during the assessment of applications in order to detect and to avoid potential overlapping and duplications, as well as to activate synergies between complementary operations being implemented in different cooperation areas;
- Exchange of information during the monitoring of the implementation of approved operations, in order to set up cross-fertilisation actions (including events and trainings for beneficiaries) which allow the unfolding of synergies between operations that tackle same challenges and address shared needs of stakeholders located in different cooperation areas;
- Use of the geographical flexibility, as provided for in Article 20(2) of the Regulation (EU) No 1299/2013 that allows to develop transnational operations with a geographical scope going beyond the Programme area, thus establishing links, creating opportunities and promoting sustainable development within and across areas sharing common features (e.g. corridors and macro regions).

Coordination with other Union instruments (Horizon 2020, LIFE , the Connecting Europe Facility, COSME, Erasmus for All, Asylum, Migration and Integration Fund, Programme for Social Change and Innovation etc.)

The coordination between ETC programmes and other Union instruments has the potential to raise the impact of Union policies at national and regional level supporting local, regional and national investments that effectively contribute to the EU2020 strategy. This potential is particularly visible in the following thematic areas addressed by the ADRION Programme:

- Research, innovation and entrepreneurship, where transnational cooperation operations can prepare and increase capacity of regional innovation systems, paving the way to excellence in research and innovation and thereby preparing a fertile seedbed for Horizon 2020 and COSME. The ADRION projects could also include 'Downstream actions' to exploit R&I results from Horizon 2020 and preceding programmes, with particular emphasis on creating an innovation-friendly environment for business and industry, including SMEs. For COSME the Programme envisage "Upstream actions" to prepare the SMEs to Access to better conditions for business creation & growth;
- A more detailed description will be provided under the terms of references of the ADRION calls according to each PA and SOs. At the same time this will also contribute to the effective implementation of the national and/or regional strategic policy frameworks for research and innovation in the context of smart specialisation strategies;

- Environment protection and climate change, where transnational cooperation operations can build capacity and improve the readiness of regions to develop and apply innovative solutions for environment protection and management, resource efficiency and climate change mitigation and adaptation, thus complementing actions of LIFE and Horizon 2020;
- Transport, where transnational cooperation operations can stimulate investment in regional connectivity, closing gaps that are affecting remote regions when accessing the TEN-T corridors and, therefore, complementing the actions of the Connecting Europe Facility. Moreover, considering that the ADRION Programme aims at addressing issues such as maritime transport and port infrastructure, a specific complementarity will be verified with the Internal Security Fund – Borders and Visa, through which the EU provides support to the EU Member States border management and maritime border surveillance systems in the Programme region.

The ADRION Programme will seek coordination through the following measures:

- When submitting proposals, applicants will have to describe the coherence and complementarity with other Union instruments of relevance for the topics addressed by the proposals. Evidence of the added value brought by transnational cooperation will have to be demonstrated in particular with regard to Horizon 2020, COSME, LIFE, the Connecting Europe Facility, Creative Europe and Erasmus for all. The coherence with the above mentioned Instruments to be described by the applicants shall be also based on the multi-annual and annual work programmes as well as guidelines developed within these instruments;
- Exchanges with and advice from the European Commission services and other European and national institutions involved in the management of Union instruments will be sought by the MA and JS in order to exchange good practice and to jointly spread information targeting common relevant stakeholders. A particular potential to activate synergies is seen with the European Commission's thematic DGs (especially in the fields of R&D, SME development and entrepreneurship, Tourism, Environment, Energy) and with European agencies;
- Communication tools and measures will be set in place by the MA and the JS in cooperation with the network of NCPs to allow for communicating outputs and results achieved by ADRION operations in order to make them available to thematic stakeholders addressed by Union instruments. Where applicable, NCPs of the EU programmes (e.g. LIFE, Horizon 2020, etc.) will be directly involved in national and transnational information events organised by the Programme;
- Furthermore, the Western Balkan Investment Framework can be a further financial instrument that can be involved in the coordination.

#### Coordination with CEF, ENI, IPA and EDF

In order to strengthen its transnational dimension and improve the cooperation with other programmes like, Balkan Med, MED, Danube involving IPA II countries will take into account the objectives and results of these programmes when implementing its capitalisation activities, strategic projects and in self-evaluation.

The ADRION Programme will seek coordination with ENI CBC MED and Alpine Space if relevant for some of the eligible area.

the Coordination will be implemented through the following measures:

- MAs and JSs of IPA and ENI CBC programmes will be addressed by the ADRION Programme improving exchanges of information on applications and approved operations, in order to activate synergies between complementary operations being implemented at the EU external borders;
- Taking into consideration also the forthcoming implementation of IPA Rural Development II (IPARD II) programmes in Albania, Montenegro and Serbia, the ADRION Programme will ensure that

overlapping between activities financed by the respective programmes (ADRION and at one side, IPARD programmes at the other side) will be avoided and all the potential complementarities assessed.

Coordination with relevant national funding instruments that contribute to the same or similar objectives as the cooperation programme or complement its interventions

Transnational operations supported by the ADRION Programme have the potential to improve the implementation of national, regional and local policies.

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

- When submitting proposals, applicants will have to describe the coherence and complementarity with national policies and funding instruments, within the application form, giving evidence of the added value brought by transnational cooperation;
- National coordination committees (or other mechanisms/bodies as provided by national rules) supporting the MC members will, to the possible extent, include representatives of institutions involved in setting-up and/or implementing national, regional and local funding instruments to guarantee mutual information especially about outputs and results of transnational operations that could support the effective implementation of national, regional and local policies and funding instruments.

Coordination with the European Investment Bank

Transnational cooperation can contribute to making results of operations ready for benefitting of instruments of the European Investment Bank (EIB), both in terms of technical preparation and execution of large-scale investment (i.e. make them “bankable”). Synergies can be activated especially in the following thematic areas addressed by the ADRION Programme:

- Infrastructure, where the EIB instrument “Joint Assistance to Support Projects in European Regions” (JASPERS) can support the realisation of large scale investments prepared by cooperation projects especially in the transport and environment sectors;
- Energy, where the EIB instrument “European Local ENergy Assistance” (ELENA) can bring forward the achievements of cooperation projects preparing large energy efficiency and renewable energy projects at local and regional level;

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

Furthermore, the Western Balkan Investment Framework can be a further financial instrument to be involved in the coordination.

## **SECTION 7 REDUCTION OF THE ADMINISTRATIVE BURDEN FOR BENEFICIARIES**

(Reference: point (b) of Article 8(5) of Regulation (EU) No 1299/2013 and Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013.

Assessment of the administrative burden



A light set of rules and simple administration procedures are pre-conditions for an effective programme driving the expected changes in the Adriatic Ionian area. This makes the reduction of administrative burden a key target.

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

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

Actions planned to reduce administrative burden will primarily build on the implementation of a system for data exchange fully in line with e-cohesion requirements described in Section 5. They shall cover all phases of the project cycle as described below.

#### Main actions planned to achieve a reduction in administrative burden - Formal eligibility of applications

The formal/administrative eligibility requirements for applications rendered a significant share of applications (about 20%) submitted to the ETC Programme 2007-2013 as ineligible.

Simplification of the submission procedure could considerably reduce the percentage of ineligible applications due to formal/administrative reasons, and therefore increase the efficiency of the process. This could be achieved with the integration of guiding information within the application form guiding information, which was previously provided in separate documents. In addition, the submission of applications and accompanying documents can be made electronically, with signed hardcopies be provided only when an application is proposed for funding. The application form template will build on the HIT template, thus making its use easier for applicants that find similar application forms in different ETC programmes.

#### Harmonised eligibility rules and budget lines

In the 2007-2013 programming period one of the main causes of high administrative burden on the beneficiaries was the lack of harmonised eligibility rules and budget line definitions.

According to Article 17(1) of Regulation (EU) No 1299/2013 and Delegated Regulation (EU) No 481/2014), the European Commission has set up specific rules on eligibility of expenditure mainly based on a common set of the following five budget lines applicable for all ETC programmes:

1. Staff costs
2. Office and administration expenditure
3. Travel and accommodation costs
4. External expertise and service costs
5. Equipment expenditure

In defining programme rules, special attention will be paid to “staff costs” as well as “office and administrative expenditure”, for which several simplification options are available. Especially with regard to staff costs the above-mentioned eligibility rules contain considerable simplification options relating to the calculation and documentation requirements (Article 67 and 68 of Regulation (EU) No 1303/2013).

Moreover, Article 18(3) of the Regulation (EU) No 1299/2013 determines a new hierarchy of eligibility rules, with programme rules specifying what is not defined at EU level and national rules specifying only what is not covered by EU or programme rules.

Taking into account the experience of the 2007-2013 programming period, sound financial management requires that all the national first level control systems use the common implementation templates and the simplified elements in the calculation of costs.

The bodies responsible for the first level control in the different Partner States hold regular coordination meetings regarding the implementation of the common eligibility rules, the simplified cost options and the harmonised tools. These meetings are held to improve the quality of the checks and to reduce the possible discrepancies in the application of the shared rules.

#### Improved monitoring project implementation

According to the other ETC programme 2007-2013 analysis, a number of shortcomings in the monitoring and reporting system were noted:

- The lack of a pre-defined reporting system from project partners to their Lead Partners, which sometimes (especially for less experienced Lead Partners) resulted in extended timeframes needed for drafting reports;
- The analysis of all outputs (including minor ones) of operations performed by the MA resulted in a high burden for beneficiaries, prolonging the time needed for analysing reports and the subsequent reimbursement;
- The indicators used for monitoring progresses of operations, which were difficult to understand and to be interpreted.

On the basis of past experience and in light of the fact that the “result-oriented” approach characterising the calls for proposals for an even closer attention to monitoring thematic achievements of operations, the ADRION Programme intends to build a system for monitoring progress of operations with possible improvements through following actions:

- To make use of the harmonised progress report (i.e. harmonised implementing tools) template on a web-based system, in order to allow multiple users to the maximum extent;
- To focus the analysis of outputs on main outputs of operations, with the analysis of minor outputs (e.g. meeting agendas) to be shifted mainly to national controllers;
- To limit the number and complexity of indicators used for reporting on the progress of operations to the maximum extent;
- To organise ad-hoc training for beneficiaries on reporting of operations, control and audit.

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



## SECTION 8. HORIZONTAL PRINCIPLES

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

### 8.1 Sustainable development

Sustainable development is both recalled in PA2 and integrated as an horizontal principle in the ADRION 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.

The SEA and the *ex-ante* evaluation provided inputs to ensure that the ADRION Programme respect the principle of sustainable development. The Programme aims at improving and harmonising environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management systems across the partner’s countries. The fight against the consequences of climate change, the reduction of the impact of human activities on the environment and the protection of ecosystems and biodiversity are supported by IPs 6.c and 6.d.

Furthermore, in a transversal way, beneficiaries are asked to promote eco-innovations aiming to make a more sustainable use of natural resources under all PAs. 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, NCPs) 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 a 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, reduction of greenhouse gas (GHG) emissions, efficient water supply, waste-water treatment and water reuse, sustainable land use, waste management and recycling, reduction of PM and NO<sub>2</sub>, etc.).
- 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.

The application form shall include a self-assessment tool to assess the environmental impacts of the projects along their selection process. Projects with significant negative environmental impact can be excluded from further assessment. The identified environmental topics shall be subject to monitoring having regard to the specificities and goals of the transnational cooperation.

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.

Similar techniques shall also be taken into account at programme level for managing and monitoring activities.

Furthermore, measures related to simplification and reduction of administrative constraints mentioned in part 7.2 of the cooperation programme are likely to lessen the environmental impact of the programme through the use of electronic communication and the reduction of paper consumption.

More detailed guidelines on how to interpret the main principles outlined in the CP may be provided in the Terms of Reference of each call for proposals.

## **8.2. Equal opportunities and non-discrimination**

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 ADRION Programme can 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?”

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 PAs and IP. 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.

### **8.3. Equality between men and women**

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, the Regulation (EU) No 1303/2013, 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/IP).

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 TOs and IPs. 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 9. SEPARATE ELEMENTS

### 9.1 Major projects to be implemented during the programming period

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

*Not applicable*

### 9.2. Performance framework of the cooperation programme

**Table 24: The performance framework of the cooperation programme (automatically completed in the system)**

PRIORITY AXIS	ID	KEY IMPLEMENTATION STEP OR INDICATOR	MEASUREMENT UNIT	MILESTONE TOTAL FOR 2018	FINAL TARGET (2023)
PA 1	1.b.1	Financial	EUR	1.969.166	20.420.452
PA 1	OI.1b	Number of strategies and action plans developed by transnational innovation networks and clusters	Number	2	12
PA 2	6.c.d	Financial	EUR	4.547.238	44.944.943
PA 2	6c.1	Number of strategies and action plans developed in the field of natural and cultural heritage and tourism	Number	3	30
PA 2	6d	Number of strategies and action plans developed in the field of environmental protection	Number	2	15
PA 3	7c.1	Financial	EUR	1.770.852	17.507.163
PA 3	OI_7c	Number of strategies and action plans developed in the field of environment-friendly and low-carbon transport systems	Number	2	12,
PA 4	11.a	Financial	EUR	977.599	9.775.995
PA 4	OI.11	Number of events and meetings of the EUSAIR governance structures and events and meetings with the authorities and stakeholders to facilitate the EUSAIR implementation	Number	12	120

### 9.3. Relevant partners involved in the preparation of the cooperation programme

In total, 2.611 stakeholders and partners participated in the ADRION consultation process for the preparation of the cooperation programme. Consultations were implemented by way of an online survey and two transnational thematic events.

Stakeholders from a broad range of backgrounds were involved in the consultations. Research institutions and universities as well as national/regional and local public authorities accounted for about 67% of respondents to the transnational online surveys. In the transnational stakeholder conference, the majority of participants came from research organisations, public authorities as well as private companies.

In addition, a consultation was conducted in application of the SEA Directive 2001/42/EC and the respective national requirements (cf. Annex A).

Details on the partner consultation can be found under section 5.6.

<b>Countries:</b>	<b>2611</b>
Albania	56
Bosnia and Herzegovina	83
Croatia	264
Greece	184
Italy	984
Slovenia	289
Serbia	216
Montenegro	275
Out	260

<b>Categories:</b>	<b>2611</b>
Central/Regional PA	874
Local PA/In-house	310
Research and Education	586
Dev agency/NGO	438
Chambers, Unions, Associations (economic interest)	212
Undertaking profit oriented	130
Other	61

**9.4. Applicable programme implementation conditions governing the financial management, programming, monitoring, evaluation and control of the participation of third countries in transnational and interregional programmes through a contribution of ENI and IPA resources**

(Reference: Article 26 of Regulation (EU) No 1299/2013)

In general, the rules applicable to ERDF beneficiaries are also applied to IPA beneficiaries with regard to the implementing conditions for the financial management, programming, monitoring, evaluation and control. The following elements will be taken into account:

- Financing Agreements between the European Commission, the MA and the Governments of Montenegro, Bosnia and Herzegovina, Serbia and Albania are to be signed regarding the implementation of IPA assistance integrated in the ADRION Programme;
- The aforementioned Agreements will take into account the specific rules to be applied in accordance with the Article 26 of Regulation (EU) No 1299/2013;
- the Implementing Act and the provisions regarding the contractual procedures for the for EC External Actions;
- IPA Funds can only be spent in or for the benefit of IPA Partner States;
- IPA partners can be Lead Partners in the ADRION projects.

The programme authorities, with the support of the authorities/bodies in the IPA countries , according to their specific needs, shall:

- a) Support to applicants: provision of targeted events addressed to project generation and submission of project proposals;
- b) Support to beneficiaries: targeted seminars/workshops addressed to project implementation, reporting, financial eligibility rules and verification of expenditure;
- c) Support to national controllers: provision of shared check-lists and joint seminars together with the controllers of the other Partner States involved in the Programme;
- d) Support to the capitalization of results.

## ANNEXES

*(uploaded to SFC 2014 as separate files)*

- Draft report of the *ex-ante* evaluation, with an executive summary;  
(Reference: Article 55(2) of Regulation (EU) No 1303/2013)
  
- Report on the Strategic Environmental Assessment;
  
- Confirmation of agreement in writing to the contents of the cooperation programme;  
(Reference: Article 8(9) of Regulation (EU) No 1299/2013)
  
- A citizens' summary of the cooperation programme.

## Glossary

### **Baseline**

Each result indicator requires a baseline value (art. 6 of Regulation (EU) No 1301/2013, art. 5, of the Regulation (EU) No 1300/2013, art. 16 of Regulation (EU) No 1299/2013). A baseline is the value of a result indicator at the beginning of the programming period (for example, the number of start-ups in that year for a priority that intends to drive up the number of start-ups in a region). It can be available from statistical or administrative data ("Guidance document on monitoring and evaluation – ERDF and cohesion fund, Concepts and recommendations" - EU Commission, March 2014).

### **Beneficiary**

Beneficiary means a public or private body responsible for initiating or both initiating and implementing operations (according to Article 2(10) of the Regulation (EU) No 1303/2013 benefitting from programme funds).

### **Blue growth**

Blue growth is the long term strategy to support sustainable growth in the marine and maritime sectors as a whole. It recognises that seas and oceans are drivers for the European economy with great potential for innovation and growth. It is the Integrated Maritime Policy's contribution to achieving the goals of the EU2020 strategy for smart, sustainable and inclusive growth.

### **Capacity building**

Capacity building focuses on understanding the obstacles that inhibit people, institutions and public authorities from realizing their developmental goals while enhancing the abilities that will allow them to achieve measurable and sustainable results.

### **Capitalisation**

Organisation of data concerning the implementation of programmes, projects, concerning their impacts, the methods used in order to make the accumulated experience usable for other programmes, projects or stakeholder groups.

### **Cluster**

A business cluster is a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field. Clusters are considered to increase the productivity with which companies can compete, nationally and globally.

### **Creative industries**

Industries that use culture as an input and have a cultural dimension. They include architecture and design, which integrate creative elements into wider processes, as well as subsectors such as graphic design, fashion design or advertising (Working group of EU Member States experts - open method of coordination - on cultural and creative industries, 2012: Policy Handbook).

### **Cultural heritage and cultural resources**

Cultural heritage is composed of tangible heritage including buildings and historic places, monuments, etc. and intangible cultural heritage which refers to practices, representations, expressions, knowledge, skills, etc. (UNESCO, "Convention for the safeguarding of the intangible cultural heritage", 2003).

Cultural resources comprise both elements, the tangible and intangible cultural heritage, encompassing current culture, including progressive, innovative and urban culture. These resources can be valorised among others in cultural and creative industries.

### **Economic operator**



According to the Article 1(8) of EU Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts, is considered as “economic operator” any natural or legal person or public entity or group of such persons and/or bodies which offers on the market, respectively, the execution of works and/or a work, products or services. As such, competition rules do not depend on the legal status of each institution involved (public or private) but on the nature of the activity realised.

### **Energy efficiency**

Energy efficiency improvements refer to a reduction in the energy used for a given service (heating, lighting, etc.) or level of activity. The reduction in the energy consumption is usually associated with technological changes, but not always since it can also result from better organisation and management or improved economic conditions in the sector ("non-technical factors") (World Energy Council, “Energy Efficiency Policies around the World: Review and Evaluation”, 2008).

### **Environmental protection**

Any activity that maintains the balance of the environment by preventing contamination and the deterioration of the natural resources, including activities such as: a) changes in the characteristics of goods and services, and changes in consumption patterns; b) changes in production techniques; c) waste treatment; d) recycling; e) prevention of landscape degradation (IUCN, “Definitions”, 2011).

### **Green growth**

Green growth is about fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. To do this, it must catalyse investment and innovation which will underpin sustained growth and give rise to new economic opportunities (OECD, “Towards Green Growth, Monitoring Progress, Glossary of terms and definitions”, 2011).

### **Indicator**

An indicator can be defined as a way of measuring an objective to be met, a resource committed, an effect obtained, a gauge of quality or a context variable. An indicator should be made up by a definition.

#### ***Output indicator***

Output indicators relate to activity. They are measured in physical or monetary units (e.g. number of firms supported, number of action plans elaborated, etc.).

#### ***Result indicator***

Result indicators relate to the objectives of PAs. They relate to the effects on direct beneficiaries brought about by a programme. They provide information on changes to, for example, the behaviour, capacity or performance of beneficiaries. Such indicators can be physical (reduction energy consumption, increase of a competence, etc.) or financial (additional financial resource mobilised, decrease of an expense, etc.).

### **Innovation**

Innovation is about creation of new products, new processes, new technologies, new organisation systems, new social system, etc. Thus, innovation can be technological and non-technological with the objective to improve the functioning of institutions, the efficiency of strategies implemented or the competitiveness of economic operators.

### **Key actors**

The “key actors” are the institutions or individuals which play an important role in the field of action of the project and are likely to contribute in a significant way to its realization. They have both political and administrative competences and technical capacities to implement the actions required for the project.

### **Macro-regional strategy**

A macro-regional strategy is an integrated framework endorsed by the European Council, which may be supported by the European Structural and Investment Funds among others, to address common challenges faced by a defined geographical area relating to Member States and other countries located in the same geographical area. In this framework they benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion.

### **Multimodal transport**

Multimodal transport is understood as the carriage of persons or goods by at least two different modes of transport. Environmentally friendly transport solutions are those allowing a significant reduction of emissions of CO<sub>2</sub>, NO<sub>x</sub>, as well as of noise.

### **Non-profit organisation**

A non-profit organization (abbreviated "NPO", or "non-profit" or "not-for-profit") is an organisation whose primary objective is to support an issue or matter of private interest or public concern for non-commercial purposes. Non-profit organisations can make benefits but these benefits must be reinvested in its activity.

### **Operation**

A project, contract, action or group of projects selected by the programme authorities of the programmes concerned, or under their responsibility, that contributes to the objectives of a priority or priority.

### **Pilot actions**

A pilot action means the implementation of schemes of an experimental nature to test, evaluate and/or demonstrate its feasibility with the aim to capitalise on those results and transfer practices to other institutions and territories.

### **Public equivalent body (according to the Directive 2004/18/EC)**

Any legal body governed by public or private law:

- Established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character, and
- Having legal personality, and
- Either financed, for the most part, by the State, or regional or local authorities, or other bodies governed by public law, or subject to management supervision by those bodies, or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities or by other bodies governed by public law.

### **Quadruple helix**

Innovation model involving institutional bodies, research sphere, business sector and citizens in the process.

### **Regional actors**

Regional actors are all main stakeholders operating at regional level in a specific thematic field independently from their legal status, thus comprising the public as well as the private sector. These sectors include different types of entities such as public administrations, infrastructure and services providers and operators, agencies including RDA, interest groups, NGOs, research centres, education facilities, enterprises including SMEs, business support organisation, etc.

### **Renewable energy sources**

Renewable energy sources are a diverse group of technologies that capture their energy from existing flows of energy such as sunshine, wind, water, biological processes, and geothermal heat flows.

### **Rural area**

Rural areas are all areas outside urban clusters. Urban clusters are clusters of contiguous grid cells of 1km<sup>2</sup> with a density of at least 300 inhabitants per km<sup>2</sup> and a minimum population of 5000 (Eurostat, 2011).

### **Small and medium-sized enterprise**

Micro, small and medium-sized enterprises are defined according to their staff headcount and turnover or annual balance-sheet total.

- A medium-sized enterprise is defined as an enterprise which employs fewer than 250 persons and whose annual turnover does not exceed EUR 50 million and/or whose annual balance-sheet total does not exceed EUR 43 million.
- A small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.
- A micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

(Commission Recommendation 2003/361/EC).

### **Smart specialisation strategy**

Smart specialisation strategy (S3) means the national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation strengths with business needs. It addresses emerging opportunities and market developments in a coherent manner, while avoiding duplication and fragmentation of efforts, and may take the form of (or be included in) a national or a regional research and innovation (R&I) strategic policy framework.

### **Social innovation**

Social innovations are new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations (Murray *et. al*, "Open Book of Social Innovation", 2010). Fields of activity are among others work integration, social services, education and research, culture and recreation, health etc.

### **Sustainable development**

"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCDE/WCED, 1989).

### **Target groups / end users**

The target groups or end users concern individuals and/or organisations directly positively affected by the activities and results of operations. Not necessarily receiving a financial grant and even not directly involved in the operation, the target groups may exploit project outcomes for their own benefits.

### **Target value**

A quantified objective expressed as a value to be reached by an indicator (output or result indicator), within a given time frame.