

**Greece - Albania**  
**IPA Cross-Border Programme**  
**2007-2013**

CCI 2007 CB 16I PO 010

### **Glossary of Acronyms**

<b>Acronym</b>	<b>Description</b>
CBC	Cross-Border-Co-operation
CC	Candidate Countries
ERDF	European Regional Development Fund
IPA	Instrument for Pre-Accession Assistance
NP	Neighbourhood Programme
PCC	Potential Candidate Countries
MIPD	Multiannual Indicative Planning Document
R&D	Research and Development
PPP	Purchasing Power Parity
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
OECD	Organisation for Economic Co-operation and Development
UNSCR	United Nations Security Council Resolution

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## **Executive Summary**

In the **Programming Period 2007-2013** the EU has introduced a **new strategic approach**, aiming to achieve better coordination of programmes and activities for the **Member States** and for neighbouring **candidate and potentially candidate countries**. Lessons learnt in the 2000-2006 period led to the decision to combine **internal and external funds under one single umbrella**. In this context the **Instrument for Pre-accession Assistance (IPA)** dedicates a significant part of its resources to **Cross-Border Co-operation**, promoting sustainable economic and social development in the border areas and assisting co-operation for addressing common challenges in fields such as the environment, natural and cultural heritage, public health and the prevention of and fight against organised crime.

The present **Greece/Albania IPA Cross-Border Programme** is the product of a bilateral **"Task Force"**, responsible for the joint and interactive planning effort between the two countries.

The Programme eligible border area is composed of the following NUTS III regions:

- Florina, Ioannina, Kastoria, Kerkira, Thesprotia in **Greece**;
- Gjirokaster, Korçë, Vlorë in Albania; and
- Grevena (under the territorial flexibility rule set out in Article 97 of the IPA Implementing Regulation).

The Strategy of the Programme is based on a detailed **analysis** of the eligible border area and the resulting **SWOT**, underlining the importance of the **strong points** of the eligible border area, which are the high quality and abundance of the **natural and cultural resources**, the pronounced presence of a significant **young population** and important **educational centres** and finally **intensive cross-border economical activity**.

The **Global Objective** of the programme is to **increase the standard of living** of the population by promoting **sustainable local development** in the cross-border area. This objective will be pursued along two Strategic Priorities.

On the one hand, the Programme will enhance the co-operation among economic actors and stakeholders through common approaches for the support of local economic activities as well as the development of local human resources reflecting the needs of the area.

On the other hand, the Programme will also devote its resources to the protection and promotion of the environmental and cultural potential of the eligible border area as a means for sustainable local development.

The Priorities of the Programme are defined below:

- **Priority 1: "Enhancement of cross-border economic development"**, aiming to promote sustainable economic development through common interventions, and to facilitate cross-border relations. **Priority 1** will be implemented through four measures focusing on the promotion of entrepreneurship, the development of tourism, the promotion of people to people actions and the improvement of border accessibility.
- **Priority 2: "Promotion and development of the environment and natural and cultural resources"** aiming to promote common actions for the protection of the environment and the improvement of the natural and cultural heritage as well as for the sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development. **Priority 2** will be implemented through two measures focusing on the promotion and protection, on the one hand, of the environmental resources and, on the other hand, of the natural and cultural heritage of the area.
- **Priority 3: "Technical Assistance"** aiming at specific actions for the successful implementation of the Programme.

The Greece/Albania IPA Cross-border Programme is going to be implemented under **the transitional approach**.

The participating countries shall set up a **Joint Monitoring Committee**, ensuring the quality, effectiveness and accountability of programme operations. They shall also set up a **Joint Steering Committee**, with the exclusive responsibility for selecting the operations to be funded under the IPA Cross-border Programme.

The **Managing Authority** of the Programme is the MA of CIP INTERREG at the Ministry of Economy and Finance in Thessaloniki, Greece. It shall be responsible for managing and implementing the IPA Cross-border Programme in accordance with the principle of sound financial management.

The Ministry of European Integration in Albania is designated as the **National IPA Coordinator**, co-ordinating the participation of the country in the IPA Cross-border Programme.

The Managing Authority shall set up a **Joint Technical Secretariat**, located in Thessaloniki, Greece. The Joint Technical Secretariat (JTS) shall assist the Managing Authority, the Joint Monitoring Committee and the Joint Steering Committee in carrying out their respective duties.

Beneficiaries will be **public and public equivalent bodies** from the eligible areas of the two countries. They will be invited to submit their **project proposals** using standardised application procedures during **public calls for proposals**.

The beneficiaries will nominate one **Lead Beneficiary** per country, who will be responsible for ensuring the proper implementation of the operation in the respective participating country.



## **1 Introduction**

### ***1.1 The Greece/Albania IPA Cross-Border Programme***

- (1)** In the New Programming Period 2007-2013 the EU has inaugurated a new strategic approach, seeking better coordination of programmes and activities for the Member States and for the candidate and potentially candidate countries. In particular, cross-border co-operation has experienced significant changes since the beginning of the 2000-2006 period.
- (2)** The Community initiative INTERREG has evolved for the new period 2007 - 2013 to a full Objective of the EU's Cohesion Policy, funded by the Structural Funds. The EU's Cohesion Policy aims at reducing the economic, social and territorial disparities which have arisen particularly in countries and regions whose development is lagging behinds. Such regions often demand economic and social restructuring, as well as the need of being capable of facing the socio-economic consequences of the ageing population (Art. 3, Reg. No 1083/2006). The Objective «European Territorial Co-operation» includes three Strands of Programmes focussed on Cross-border, Transnational and Interregional Co-operation. The Cross-Border Strand aims at strengthening co-operation through joint local and regional initiatives.
- (3)** At the same time the Commission has introduced the new Instrument for Pre-accession Assistance, replacing the 2000-06 pre-accession financial instruments PHARE, ISPA, SAPARD, the Turkish pre-accession instrument, and the financial instrument for the Western Balkans, CARDS. IPA covers the countries with candidate status (currently Croatia, the former Yugoslav Republic of Macedonia and Turkey) and those with potential candidate status (Albania, Bosnia and Herzegovina, Montenegro, Serbia including Kosovo according to UNSCR 1244) and is broken down into five Components. Component 2, which covers all IPA countries, is dedicated to Cross-Border Co-operation and is the IPA equivalent of the European Territorial Co-operation Objective of the EU's Cohesion Policy.
- (4)** In the period 2000-2006 the Commission introduced the CARDS programme as part of the EU effort in promoting stability and peace in the Western Balkans. Among other aspects, the CARDS programme incorporated CBC elements, facilitating the co-operation between Member States and Western Balkans countries. There have been significant efforts to harmonise and coordinate the two funding instruments of cross-border co-operation (ERDF and CARDS) in this period through the provision of common structures and joint calls for proposals. More specifically the initial Interreg III/CARDS cross-border programme Greece-Albania 2000-2006, following its modification in 2005, evolved to the Neighbourhood Programme Greece/Albania.

(5) The complicated management structures affecting the communication and the different regulations regarding financing in the 2000-2006 Programming Period set limits to the co-operation possibilities. The present Greece/Albania IPA Cross-Border Programme is the product of the joint planning effort between the two countries seeking to take full advantage of the new possibilities offered within the Instrument for Pre-accession Assistance.

### **1.2. Legal basis**

- Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA);
- Commission Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA);

### **1.3 Eligible Areas**

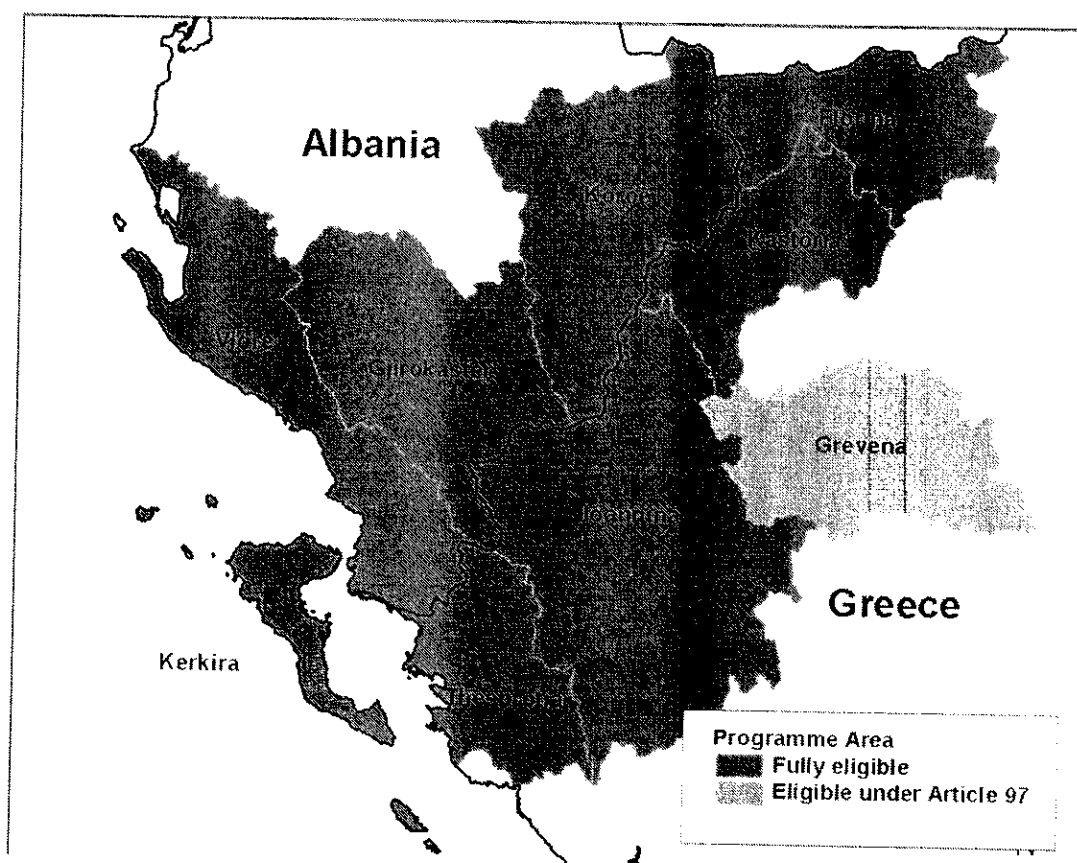
(6) The eligible region of the Programme spreads from the Ionian Sea to the Prespa lakes, The land border has a total length of 282km covering an area of 21,588 km<sup>2</sup> with a population of 1,040,118. It is composed of eight NUTS III units or NUTS III equivalent units in both countries. The eligible NUTS III regions from the West to the East are the districts of Vlorë, Gjirokastër and Korçë in Albania and the Prefectures of Kerkira, Thesprotia, Ioannina, Kastoria, Grevena and Florina in Greece.<sup>1</sup>

**Figure 1: IPA Cross-Border Co-operation Programme Greece/Albania 2007-2013, eligible areas**

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<sup>1</sup> There is a difference between regions and districts in Albania: A region is an administrative and territorial entity, which is composed of some communes and municipalities with geographic, traditional, economic and social links as well as common interests.

Based on the institutional scheme that designates the administrative division of Albania and the sub-division of the country into Local Government Units, (LGU) a Region is the highest level of local government. A Region has the power to make political, budgetary and administrative decisions on the territory inside the institutional and legal scheme of this territory.



(7) According to Article 88 of the IPA Implementing Regulation, NUTS III regions or, in the absence of NUTS equivalent classification areas, along land borders between the Member State and the beneficiary country are eligible areas for the purposes of cross-border co-operation. Article 97 foresees the possibility to finance expenditure incurred in implementing operations or parts of operations up to a limit of 20% of the amount of the Community contribution to the cross-border programme in NUTS III regions or, in the absence of NUTS classification, equivalent areas adjacent to the eligible areas for that programme. The NUTS III region of **Grevena** is included in the eligible areas of the Greece/Albania IPA-Cross-Border Programme as adjacent area with a total expenditure not exceeding 20% of the total programme expenditure. The district of Grevena is located in the core of the Pindos mountain belt which stretches from the northern most end of Greece to central Greece along a distance of 70 km. The area is characterized by mountainous relief and a very dense hydrographic system, which results in the formation of numerous water bodies and in particular springs and rivers. Due to the high precipitation in the area, vegetation is abundant. The area represents a physical continuation of the northernmost areas of the districts of Kastoria and Ioannina as regards to geomorphology, geology, hydrographic systems, fauna and flora, and, in addition, at its closest point is less than 20km from the Greek-Albanian border.

**Table 1: Eligible NUTS III (or equivalent) regions in the Programme border area**

<b>Greece</b>				
<b>Prefecture</b>	<b>Capital</b>	<b>Population</b>	<b>Area (km<sup>2</sup>)</b>	<b>Status</b>
Florina	Florina	52.340	1.869,41	Fully eligible under Article 88 of the IPA-IR
Grevena	Grevena	32.567	2.339,23	<i>Adjacent area: Subject to Article 97 of the IPA-IR</i>
Ioannina	Ioannina	170.239	5.005,05	Fully eligible under Article 88 of the IPA-IR
Kastoria	Kastoria	53.483	1.685,54	Fully eligible under Article 88 of the IPA-IR
Kerkira	Kerkira	111.975	649,70	Fully eligible under Article 88 of the IPA-IR
Thesprotia	Igoumenitsa	46.091	1.527,42	Fully eligible under Article 88 of the IPA-IR
<b>Albania</b>				
<b>District</b>	<b>Capital</b>	<b>Population</b>	<b>Area</b>	<b>Programme Status</b>
Gjirokaster	Gjirokaster	112.831	2.858,83	Fully eligible under Article 88 of the IPA-IR
Korçë	Korçë	311.448	3.035,16	Fully eligible under Article 88 of the IPA-IR
Vlorë	Vlorë	264.556	2.618,07	Fully eligible under Article 88 of the IPA-IR

#### **1.4 The Programming Process**

**(8)** Following the decision taken by the two participating countries, a bilateral "Task Force" for the elaboration of the new Greece/Albania IPA Cross-Border Programme was established. The members of the Task Force come from the relevant national bodies of the two countries. The European Commission has been invited to participate in the meetings as well. The participants have provided valuable information on the situation of the eligible border area and, on the lessons learnt from the predecessor Neighbourhood Programme. Stakeholders and authorities responsible for the environment and gender aspects have also been consulted throughout the programming process.

**(9)** On 22 September 2006 the programming process started with a kick-off meeting held in Thessaloniki, followed by 4 Task Force meetings, 3 in Greece and 1 in Albania.

- in Kastoria, defining the basic orientation of the Programme,
- in Thessaloniki, agreeing on the Programme structure,
- in Thessaloniki, approving the first draft version of the Programme,
- in Korçë, finalising the Programme content and the Implementing Provisions thereof.

**(10)** The Taskforce was also supported by three external expert teams on:

- Specific chapters of the Programme,
- The Ex-ante evaluation and
- The Strategic Environmental Assessment.

**(11)** To ensure broad regional and sector acceptance as well as participation of social partners and stakeholders, the draft Programme was made available for public consultation launched in the period 21-29.05.07 in both countries. The results of the consultation and the findings of the Ex-ante Evaluation and the Strategic Environmental Assessment were continuously integrated in the programming document.

## 2 Analysis of the Socioeconomic Environment

### 2.1 Demography and spatial patterns, migration

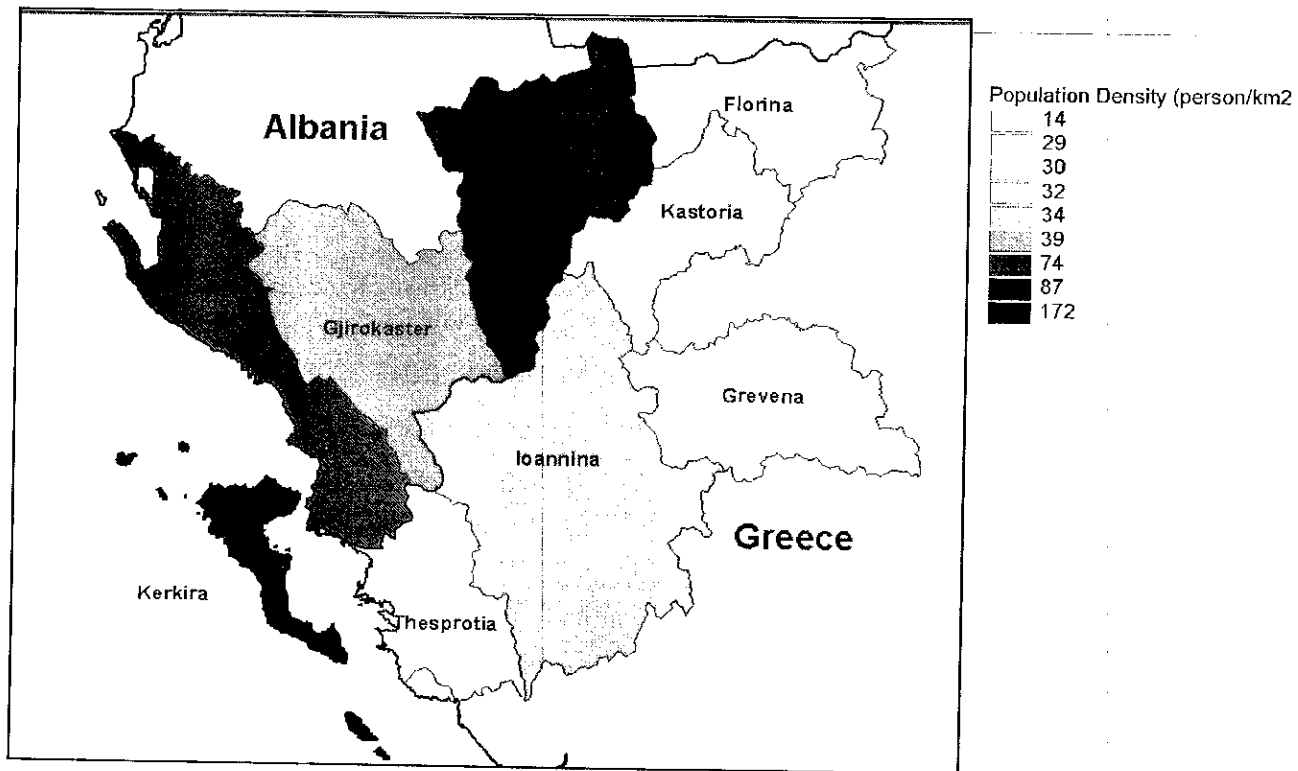
(12) The total population of the eligible border area is 1,040,118. About 45% are located in the Greek side of the border, with 55% at the Albanian side with major concentrations in the urban centres like Vlorë, Ioannina and Korçë.

**Table 2: Population in the eligible border area**

<b>Greece</b>					
<b>Prefecture</b>	<b>Census 1991</b>	<b>Census 2001</b>	<b>Persons below 20</b>	<b>Persons over 65</b>	<b>Ratio male/female</b>
Florina	52.340	54.768	13.167	10.075	1,04
Grevena	36.797	32.567	4.890	8.294	1,0
Ioannina	177.900	170.239	36.805	32.830	0,97
Kastoria	52.571	53.483	12.198	9.292	1,05
Kerkira	107.591	111.975	23.198	21.666	0,96
Thesprotia	50.500	46.091	10.400	32.830	1,02
<b>Albania</b>					
<b>District</b>	<b>Census 1991</b>	<b>Census 2001</b>	<b>Persons below 14</b>	<b>Persons over 65</b>	<b>Ratio male/female</b>
Gjirokaster	155.998	112.831	30.157	10.501	1,01
Korçë	311.448	265.182	68810	24543	1,01
Vlorë	264.556	192.982	52.762	18.366	1
<b>Total</b>	<b>1.209.701</b>	<b>1.040.118</b>	<b>252.387</b>	<b>168.397</b>	<b>1,01</b>

(13) Population density is very diverse. The Prefecture of Grevena shows only 14 inhabitants per km<sup>2</sup>, while the Albanian districts have a much higher density despite the concentration of the population in a few large cities, a fact which illustrates the disparities within the districts themselves. The Prefecture of Kerkira is leading with 172 persons/ km<sup>2</sup>! The national average for Greece is 84 persons/km<sup>2</sup> and for Albania 123 persons /km<sup>2</sup>.

**Figure 2: Population Density**



**(14)** The trends in the eligible border area show a significant reduction of the population. While the Greek prefectures had only minor population changes due to migration to different destinations and natural causes, the Albanian districts experienced a considerable decrease in population due to migration to third countries or to Greek metropolitan centres beyond the eligible border area. On the other hand the population structure reveals a large percentage of young population in the Albanian districts, whereas in Greece there is a more balanced picture with the obvious exception of Thesprotia. Male and female population is almost equally distributed with only a slight surplus of men on average. Last but not least, the Albanian eligible border area is home to the Greek ethnic minority in Albania mostly in the district of Gjirokaster, whereas in the last decade a significant number of Albanian citizens migrated to Greece. Well integrated communities of Albanian migrants exist in the Greek eligible border area providing an important source of labour for the region.

**(15)** The major urban centres of the area are the city of Korçë (74.370), Ioannina (70.203), and Kerkira (39.487). Apart from them, a large number of smaller towns form a functional and diverse polycentric system. However cross-border relations between the urban centres are not very well developed.

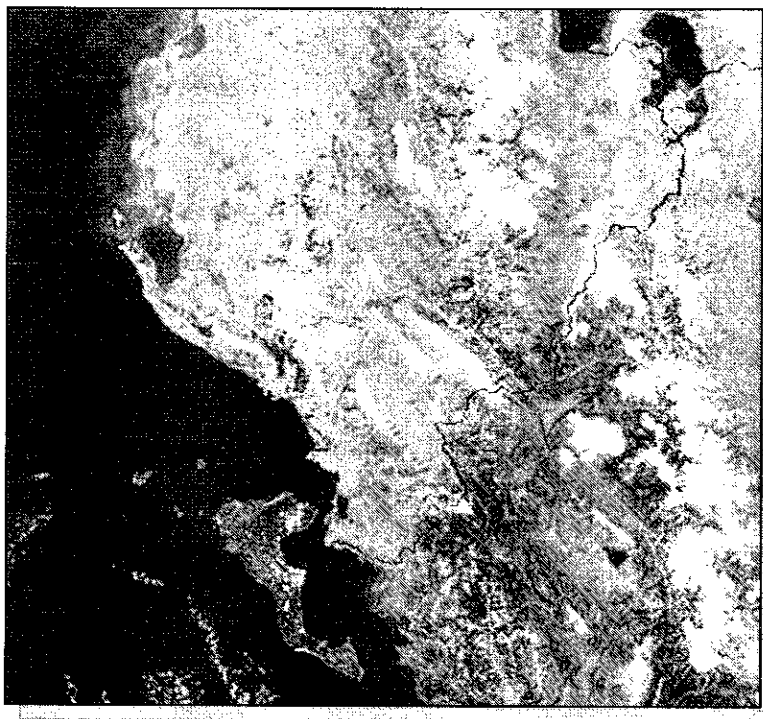
**(16)** Population is concentrated in a small number of major cities, with Ioannina, Korçë and Vlorë accounting for 62% of the total population. On the other hand prefectures like Florina,

Kastoria and Thesprotia are less densely populated and lack a major centre. While all prefectures and districts are facing significant internal disparities especially between urban and rural areas, the smaller districts have also to compete with the main centres of the eligible border area (basically Korçë and Ioannina) which attract the population and the economic stakeholders.

## **2.2 Geography and Environment**

**(17)** The main characteristics of the eligible border area are the mountain ranges which form a part of the Dinaric Alps. Altitude ranges from sea level at the western coastal zones up to the highest peaks of over 2.600m (Mount Smolikas) in the East. Geologically the area is mainly composed of limestone, marble and flysch. The area is mostly forested with some agricultural activity (forestry, grazing, dry and irrigated agriculture) in smaller valleys.

**Figure 3: Geomorphologic Map of the Area**



**(18)** The main river of the area is the cross-border Aaos/ Vjosë. It originates from the Northern Pindos mountain range and flows in NW direction through Albania into the Adriatic Sea. The total length of the river is about 260 km, with the first 80 km in Greece. The catchment basin has a total area of 6,519 km<sup>2</sup>, where the Greek sub-basin covers approximately 2,154 km<sup>2</sup>. The mean precipitation height in the area is about 850 mm and the flow rate varies between 8 and 130 m<sup>3</sup>/s. There is no bilateral agreement between Greece and Albania for river management.



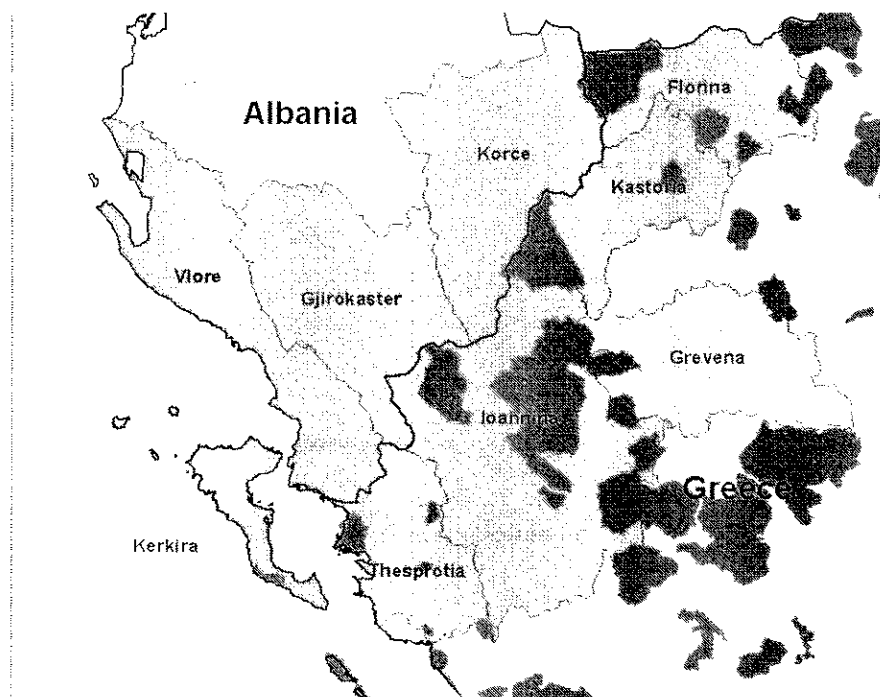
(19) At the eastern edge of the eligible area the important Prespa lakes are located. Liqeni i Prespës/Megali Prespa has a total surface of 190 km<sup>2</sup>, divided between the 3 neighbouring countries. Small Prespa Lake is shared only between Greece (138 km<sup>2</sup> drainage area; 43.5 km<sup>2</sup> surface area) and Albania (51 km<sup>2</sup> drainage area; 3.9 km<sup>2</sup> surface area). The region had remained unnoticed till the 1990s when it began to be promoted as a tourist destination. The area was declared a Transnational Park in 2000, initiating numerous genuine cross-border co-operation projects. Other important lakes (Kastoria, Ioannina) are located within the eligible area, contributing to the diverse landscape that characterises the area

**Table 3: Natural Protected Areas in the Albania eligible border area**

IUCN Category	Region	Town	Name of the Protected Area	Area (ha)
National Park	Korçë	Korçë	Prespa	27,750
Managed Nature Reserve	Korçë	Korçë	Krastafillak	250
Managed Nature Reserve	Korçë	Devoli	Cangonj	250
Managed Nature Reserve	Korçë	Kolonjë	Gërmenj-Shelegur	430
Protected Landscape	Korçë	Devoli	Nikolicë	510
Protected Landscape	Korçë	Pogradec	Pogradec	27,323
National Park	Korçë	Korçë	Bredhi i Drenoves	1,380
Resource Reserve	Korçë	Kolonjë	Piskal-Shqeri	5,400
Resource Reserve	Korçë	Pogradec	Guri i Nikës	2,200

Source: Data of Ministry of Environment.

**Figure 4: NATURA 2000 sites in the Greek eligible border area**



**(20)** The mountains, lakes and rivers form a very diverse landscape with numerous small fertile plains, long and narrow valleys, and steep ravines, such as the Aooos gorge and the Vikos ravine. The climate of the area is influenced by the diverse relief and ranges from Mediterranean in the coastal zones, to alpine in the hinterland. Precipitation is high and clearly above the respective national averages. The vegetation is made up mainly of coniferous species. The animal life is especially rich in this area and includes, among other species, bears, wolves, foxes, deer and lynxes.

**(21)** The eligible border area is rich in natural resources. The abundance of water resources has made the area an important source of hydropower for both countries. The potential of micro-hydropower and renewable energy sources has not been utilised. Additionally, the potential for recreation activities is the most dominant attraction of the region providing settings for mountain and white water sports (e.g. rafting, canoeing) along with an appealing and relatively unaffected coastal zone.

**(22)** The main environmental risks and hazards stem either from natural alpine occurrences such as landslides, forest fires, seasonal floods and avalanches or from increasing human activities such as industrial pollution, land use and soil and water contamination. The rapid development of the construction industry in the Albanian districts and the unplanned settlement activities are seriously threatening the environment and the landscape. Oil rigs in Balshi on the road from Gjirokaster to Tepelen cause frequent oil spills. The main sources of

pollution of the water bodies are agriculture and aquaculture, urban sewage and petrol abstraction in the Albanian side. Sand and gravel extraction is also widespread.

### **2.3 Economy**

**(23)** The eligible border area is one of the poorest in Europe. GDP per capita in PPP in the Greek eligible border area was in 2004 EUR 14,939 (That year the average Greek GDP per Capita in PPS was EUR 19,232, 82% of the EU25 average). The respective national average figure for Albania was in 2004 EUR 1,885 (7.8% of the EU25 average). There is no data available at the NUTS III equivalent level. Disparities are also substantial within the Greek and Albanian eligible border areas. The Kerkira Prefecture as well as the Ioannina Prefecture in Greece boast a relatively high GDP per capita (EUR 16,667 and EUR 17,458 respectively), mainly due to the extensive tourism and tertiary sector services (related to health, commerce and administration), while Florina and Kastoria have the lowest rates in the country (EUR 13,230 and EUR 12,345 respectively). Even within single regions such as Korçë or Ioannina the discrepancy between the urban centre and smaller rural settlements is significant.

**(24)** The **agricultural** sector is an important employment and production sector. Livestock breeding and dairy products are the major fields of activity. In the few plains tobacco and cereals cultivation offer alternatives. While mainly characterised by "subsistence farming" elements, in the last few years signs of expansion and innovation (e.g. in dairy products and in efforts based on Regulation No. 2081/92 for products with protected-designation-of-origin (PDO) label) are present. The relative slow adoption of intensive agricultural patterns and the cultivation of endemic species make the eligible border area ideal for the development of organic farming. However the overall sector is oriented towards local consumption and less towards national markets or exports.

**(25) Industry** is generally declining both relatively and absolutely due to the loss of traditional markets but also due to the rise of the service sector. On the Albanian side industry is recovering from the transition period mainly as a result of Greek investments in the food processing and light manufacturing industry. Beverages, garments and building materials also play a role. There is also a revival of small workshops and "cottage industries" mainly in packaging for retail products and the textile industry. The products of those industries are partially oriented to the domestic market or are exported to Greece. The expected approximation of Albanian legislation to EU law will reinforce the shift of labour-intensive to capital-intensive industrial activities. A rapidly growing sector is the construction industry ignited by the rising demand for housing especially in the coastal zone. Construction material industrial units are slowly establishing themselves in the region as an alternative to imports from Greece. On the Greek side the energy industry is an important stakeholder in Florina, whereas the fur industry in Kastoria is recovering after the decline of recent decades

mainly due to the opening of the East European markets. The fur industry is one of the few cases in the eligible border area with a long standing export tradition and know-how. In Epirus and Thesprotia, cottage industries in the dairy, food and beverages sectors are active, with a few of them targeting external markets.

**(26)** The significance of the **tertiary** sector is rising in a quantitative and qualitative dimension. Retail trade and services are dominant on the Greek side and ever more important in the Albanian districts, although not always reflected in the official statistics. Storage depots and wholesale centres for the distribution of goods imported from Greece to central Albania (Tirana) are rapidly developing and comprise an important link in the cross-border trade chain. The larger urban centres in Greece concentrate a significant percentage of the health services, commerce and administration.

**(27) Tourism** is becoming an important field which bears great potential. In comparison to other service fields, tourism is deemed to be of strategic importance since it is "export" oriented, thus identifying the region on the national and international level. While the island of Kerkira is a well known international, though overburdened, destination, other areas are mainly catering for domestic visitors. The prefectures of Ioannina, Grevena and Thesprotia have developed ecotourism infrastructure and outdoor activities making them a destination for a small but dedicated international clientele. On the Albanian side the mountain areas remain pristine and bear great potential. The coastal zones of Vlorë and Sarande have become extremely popular, attracting mainly domestic visitors, but at the same time they demonstrate also a vast construction activity, which could undermine the development perspectives of the area.

**(28)** Overall **trends** are promising for the region. The economy is growing fast, albeit from a low starting point. Migration is affecting both sides of the border. On the Albanian side emigration to the Greek urban centres and to other western European countries is depriving the area of young people while on the Greek side internal migration has been slowing down but is still an issue. This effect is clearly affecting economic development and has a negative long-term impact. Whereas cross-border mobility of the labour market will remain difficult in the next years, the tourism sector could at least reduce internal migration. Public sector dominance and state aids while remain an important development factor and could potentially hamper indigenous development. However, expected private-driven investments in tourism, culture and renewable energy sources are anticipated to bring major changes to the economy sectors and their orientation. Facilitated access to private finance, e-government and innovation programmes and investments will accelerate these changes. Last but not least, the development in the economic front is expected to cause major changes in the land take and land use patterns as well as in resources consumption established over longer periods of time in the eligible border area.

**Table 4: Economy of the eligible border area at NUTS III (or equivalent) level**

NUTS III (or equivalent) Region	GDP per capita	Total GDP	Number of Enterprises	Enterprises in Tourism and Culture	Unemployment in %	State aids
<b>Greece</b>						
Florina	13,230	721	4,115	25	15.2	Zone B (up to 30% Cash grant / Leasing subsidy)
Grevena	12,219	391	3,091	16	13.7	Zone B (up to 30% Cash grant / Leasing subsidy)
Ioannina	17,458	2,945	13,270	115	9.3	Zone C (up to 40% Cash grant / Leasing subsidy)
Kastoria	12,345	663	6,395	27	24.9	Zone B (up to 30% Cash grant / Leasing subsidy)
Kerkira	16,667	1,980	13,954	435	11.5	Zone B (up to 30% Cash grant / Leasing subsidy)
Thesprotia	14,993	645	4,081	56	n.a. due to the minor sample size	Zone C (up to 40% Cash grant / Leasing subsidy)
<b>Albania</b>						
Gjirokaster	n.a. at district level	n.a. at district level	2,649	521	n.a. at district level	n.a.
Korçë	n.a. at district level	n.a. at district level	5,599	1,145	n.a. at district level	n.a.
Vlorë	n.a. at district level	n.a. at district level	5,234	989	n.a. at district level	n.a.

(29) The Statistical Office of the Republic of Albania does not establish the necessary data at a NUTS III equivalent level. The relevant national figures per year (years 2004 – 2007) are presented at table 5. The unemployment rate for 2004 was 14.4%, while the GDP share of agriculture was 22%. Industry and services shared 24% and 54% respectively.

**Table 5: Economy at a national level (Albania) per year (2004-2007)**

Albania	2004	2005	2006	2007
GDP (per capita, in Euro)	1,885	2,099	2,303	2,504
GDP (current prices, in million Euro)	5,747.0	6,399.0	7,006.2	7,648.6

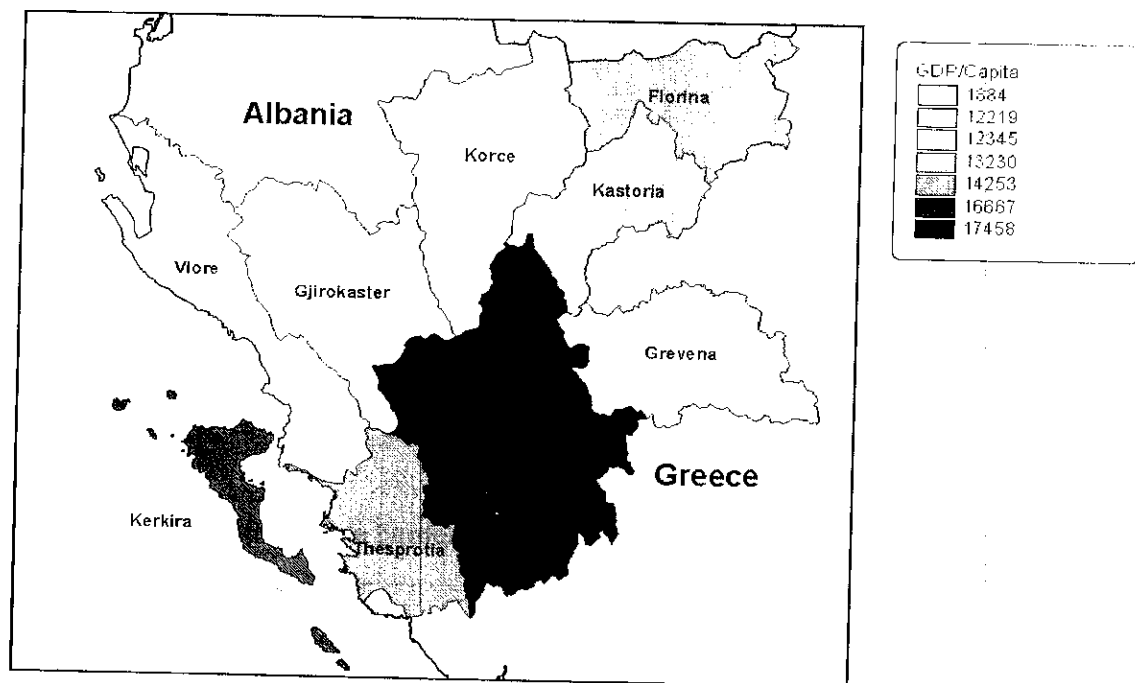
**Table 6: Economy Sectors of the eligible border area<sup>2</sup>**

NUTS III region (or equivalent)	Agriculture (% of labour force)	Agriculture (% of GDP)	Industry (% of labour force)	Industry (% of GDP)	Services (% of labour force)	Services (% of GDP)
<b>Greece</b>						
Florina	26.85%	13%	22.19%	26%	46.37%	52%
Grevena	33.5%	10%	18.45%	24%	45.09%	57%
Ioannina	12.55%	4%	21.60%	22%	59.93%	64%
Kastoria	19.64%	8%	29.05%	15%	47.58%	68%
Kerkira	15.73%	2%	15.70%	10%	61.67%	79%
Thesprotia	27.78%	8%	18.82%	14%	50.28%	69%
<b>Albania</b>						
Gjirokastr	59.2	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level
Korçë	71.6	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level
Vlorë	48.7	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level	n.a. at district level

<sup>2</sup> Information about the % of labour force in the fields of agriculture, industry and services in Albania is not available. Available data refer to employment in the Public sector, the non-agricultural sector and the private sector. The data for the three Albanian districts are:

Region	Total employment	% Total employment	No of persons employed in Public sector	% employment in public sector	No of persons employed in non-agricultural sector	% employment in non-agricultural sector	No of persons employed in private sector	% employment in private sector
GjiroKaster	30.693	100	7.570	24.7	4.933	16.1	18.190	59.2
Korce	75.745	100	11.435	15.1	10.097	13.3	54.213	71.6
Vlore	42.092	100	10.997	26.1	10.576	25.1	20.519	48.8
Albania	932.105	100	175.015	18.8	214.935	23.1	542.142	58.1

**Figure 5: GDP per capita in the eligible border area**



(30) Despite the unavailability of statistical data at the NUTS III level in some districts, the general tendencies become clear. Hence in the Albanian side combination of the dominance of agriculture, high unemployment, low income and young population predict a continuing migration. The number and nature of active SMEs and the tourism perspectives in the area, however, allow for the relative development of indigenous economic activities, which can offer employment and growth. On the Greek side there is a much more differentiated picture. While Kerkira and Ioannina have a vivid tertiary sector, other prefectures have a more rural character, whereas Kastoria is unique in combining high unemployment and a high services share (% of local GDP) as a consequence of the transformation that the traditional industries have experienced in this Prefecture.

#### **2.4 Education and R&D**

(31) The eligible border area demonstrates an extensive and adequate network and number of primary and secondary schools. The Greek side has 715 primary and 217 secondary schools, while on the Albanian side the numbers are 410 and 97 respectively. While the level of installations varies from rudimentary to very good, many areas suffer from poor accessibility to primary and secondary schools due to the poor secondary road network. This holds especially true for the Albanian side of the border area.

(32) The eligible border area boasts a substantial number of tertiary institutions especially on the Greek side. Cross-border co-operation among tertiary institutions has been persistently pursued but still has room for development.

(33) The education level of the population remains lower than the national averages. This is a consequence of the internal and external migration, the local SME structure and the interrelation of the local needs and the curricula offered. Hence only a limited number of graduates remain in the area or resettles after graduation elsewhere. Gender statistics show a lower but rising percentage of female graduates.

(34) Vocational training and human resources development are very weak in the region. This is a consequence of the dominant role of agriculture and the nature and activities of most SMEs. Research and Development centres in the area are limited to the tertiary institutions.

(35) The Centres for Entrepreneurial and Technological Development in Ioannina, Kerkira and Kozani (catering for the eligible districts of the West Macedonia Region) offer basic services to existing and potential enterprises. Although they cannot be regarded as Research and Development facilities they could act as "entry level facilitators" for the engagement of enterprises in research and development activities.

**Table 7: Education of the eligible border area**

NUTS region	III	Post-secondary schools and technological foundations	Universities	Indicative Facilities	Number of Students	Other
Florina		TEI of Western Macedonia	University of West Macedonia	International Commerce; Public Relations and Communications Policy Agricultural Production Department, the Animal Production Department, and the Agricultural Products Trade and Quality Control Department Faculty of Educational Sciences: * Department of Elementary Education (Florina) * Department of Preschool Education (Florina) Independent Departments: * Department of Balkan Studies (Florina) * Department of Figurative and Applied Arts (Florina)		
Gjirokaster			Eqerem Çabej University	Natural Science Economics Education Social Science	1.027 973 378 1.058	
Grevena						



Ioannina	TEI of Epirus	University of Ioannina			Centre for Entrepreneurial and Technological Development of Epirus
Kastoria	TEI of Western Macedonia				
Kerkira		Ionian University			Centre for Entrepreneurial and Technological Development of the Ionian Islands
Korçë	Higher Agricultural Institute of Korçë	F.S. Noli	Education Agriculture Infirmary Economics	1.232 357 473 908	
Thesprotia	TEI of Epirus				
Vlorë	Higher Military School	Ismail Qemali University of Vlora	University Trade Infirmary Languages Education	1.365 319 799 838 1.528	

## 2.5 Accessibility

(36) The topography, location and political past of the eligible border area have affected the quality and low density of the infrastructure. Hence the main accessibility is provided for by the regional road network. The latter is mainly adapted to the topography following river valleys and mountain passes, hence leaving smaller regions relatively isolated. In some cases the accessibility of the network becomes problematic and seasonal with certain connections closing, due to snowfalls, heavy rainfalls and torrents.

(37) Investment in road infrastructure has been strengthened through the implementation of the Regional and Sectoral Operational Programmes in Greece, in the period 2000-2006, and through the Stability Pact in Albania. The construction of the Egnatia Odos Vertical Axis Siatista-Ieropigi/Kristallopigi is expected to offer a valuable connection to central and southern Greece (including Athens), the central Greece Motorway (E65), as well as the Egnatia Motorway (including Thessaloniki). The long-term completion and modernisation of the Korçë-Elbasan-Tirane and Tirane-Gjirokaster motorways is expected to close important gaps. The planned "Ionia Odos" in Greece, is expected to become operational after 2013, and will link Patras in Western Greece to Ioannina and eventually Kakavia in the Northwest. At the coastal zone the upgraded road connection Sagiada-Konispol-Sarande is at the final stages of tendering. All those road projects, in conjunction with the existing sea connections, are expected to change significantly the interaction patterns on both sides of the border with a positive effect on the eligible border area. Especially in the field of road infrastructure the Interreg IIIA/CARDS Programme Greece/Albania 2000-2006, followed by the Neighbourhood Programme Greece/Albania 2004-2006, has contributed through significant primary network interventions. However, secondary network connections remains weak although constantly improving.

**Figure 6: ACCESSIBILITY**

**(38)** Further accessibility routes of the eligible border are the airfields of Korçë, Gjirokaster, Sarandë and Vlorë (intended to be developed to national airports) in Albania and the national airports in Ioannina, Kastoria and the International Airport of Kerkira in Greece. The facilities in the airfields and national airports are basic with the exception of Ioannina which caters for the domestic connection to Athens. The Kerkira International Airport, "Ioannis Kapodistrias" is oriented towards tourism. On the northern part of the eligible border area the port of Vlorë is an important gateway being the second most important port in Albania with important freight and passenger connections. Further south the port of Sarandë is only of local importance but the daily connection to Kerkira gives it a valuable role for the eligible border area. The inland road connections are however leading mainly to the north (Tirana) and the links to the core of the eligible border area are weak. In the southern part the port of Igoumenitsa is an important gateway to the Adriatic and to Italy and is also connected to the main motorways of the "Egnatia Odos" and "Ionia Odos". The completion of these roads may lead to increasing importance of the port. Considering modal split the road network is expected to remain the mainstay of transportation with all the related implications. In the wider context of

the Adriatic, there is scope to benefit from the Motorways of the Sea initiative, by building co-operation links between the ports of the programme area and other ports in the Adriatic and Ionian Seas. Rail is virtually non-existent with only a small section connecting Florina to Thessaloniki, with negligible importance to the region. However, this is expected to change as the Kalambaka – Siatista/Kozani railway axis has been included in the TEN-T railways and in the European Priority Project 29, while the Siatista – Ieropigi railway axis is currently under design to be included in the TEN-T railway network. This latter axis will be extended to Pogradec, through which it will be connected to the Albanian Railway network, with significant impacts to the eligible region.

**(39)** The telecommunications provision of the eligible border area is one of the lowest both in the 2 countries and in Europe. In the Albanian eligible border area the average is 90 telephone lines per 1000 persons (national average of 73 telephone lines per 1000 persons) while in Greece the national average is at 573 telephone lines per 1000 persons<sup>3</sup>. While the provision of earthbound telephone lines and cellular phone coverage can be regarded as adequate or rapidly improving, the provision of internet connections and content is very low, reaching 25% of male and 20% of female residents in the Greek districts.

**(40)** Cross-border connections remain dispersed with four crossing points in Sagiada/Konispol, Kakavia, Melissopetra-Carshove (Mertzani/Tri-Urat) and Kristallopigi-Ieropigi/Kapshtica. The Kakavia and the Kristallopigi/Kapshtica crossings are of primary importance for the region. Ieropigi/Kapshtica crossings could be upgraded. Accessibility to the crossing points varies due to the disparities between the primary network already upgraded or planned and the less maintained secondary roads. Border control including the facilities and equipment of the border stations are continuously improving to a great extent through interventions of the Neighbourhood Programme Greece/Albania 2004-2006. However, further improvements are still needed.

## **2.6 Health and Social Protection**

**(41)** The main urban centres are equipped with sufficient health infrastructure including state hospitals, health centres and sanatoria. Ioannina is the key focus of concentrated health facilities providing university clinic level services, making it the region's most important centre for health care services. A key role here is played by the Regional University Hospital of Ioannina. The existing facilities on the Greek side are used by the population of both sides of the border, since hospitals in Albania have been facing extreme shortages in equipment. However these cross-border relations are dealt with on an ad-hoc basis leaving room for further co-operation.

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<sup>3</sup> Regional data is not available

**(42)** While urban centres are well catered for, primary health care in the rural areas and social protection especially for women, mothers and the elderly population are very basic. Emergency and Search and Rescue mechanisms are rudimentary. Taking in account the envisaged development in the tourism field, these sectors will have to be further strengthened. In addition, parallel preventive medicine initiatives must also be introduced.

### **2.7 Culture**

**(43)** The eligible border area is rich in cultural resources including significant ancient sites like the Dodoni Oracle in Ioannina, Byzantine monuments in Katora and Arta, the fortifications in Kerkyra as well as Butrint (Roman Buthrotum) in Sarande, Gjirokastra and the Old City of Kerkyra, which are part of the UNESCO World Heritage List, and Ancient Nikopolis and the area of Prespes Lakes. There is a large number of medieval monasteries, chapels and churches which have been nodes of vivid religious and lay networks for centuries. For example the existence of valuable icons and manuscripts link different places of worship in the area. Such links have been violently interrupted after the Second World War and their revival could contribute to the cultural enrichment of the area.

**(44)** The eligible border area also boasts a large number of architecturally valuable towns and settlements like the Museum-City of Gjirokaster (also a UNESCO World Heritage Site), the town of Kastoria, the town of Kerkira and the Zagoria complex. A further cultural asset is the masonry craftsmanship as evident in a large number of bridges and constructions along with numerous noblemen houses.

### **2.8 Administration, planning capacity and bilateral co-operation**

**(45)** The districts of the eligible border area are NUTS III level or equivalent units. Two of them (Ioannina and Kerkira) are also the seat of the NUTS II Regional authorities. In Greece most administrative bodies have acquired substantial administrative and planning capacity due to the implementation of large multi-annual Regional Operational Programmes within the Structural Funds Framework along with the Greek Public Investment Programme and the Ministry of Interior, Public Administration and Decentralisation's THISSEAS Programme for local authorities. On the Albanian side administrative bodies have also undergone a substantial process of capacity development, although smaller municipal administrations face problems. In the light of the MIPD and Component 1 of the IPA addressing Transition Assistance and Institution Building these efforts are going to be reinforced.

**(46)** In the field of cross-border co-operation the basic foundations have been set up by the Community Initiative INTERREG III and the external co-operation programme CARDS. Several bilateral co-operation agreements between municipalities from both sides of the eligible area

have been established during the previous period. However the different funding instruments, ERDF and CARDS, caused complications in the implementation of the programme.

**(47)** On the multilateral side, concerning the whole of the Balkans area, Greece has initiated the Hellenic Plan for Economic Restructuring of the Balkans (also known under the Greek acronym of ESOAB). The target of this initiative is to promote political, economic and social stability in the Balkan countries. In particular it aims to modernise infrastructure, to promote productive investments and to support democracy and the rule of law as well as to modernise public administration and local government alongside the promotion of the welfare state.

**(48)** During the period 2004 – 2011 Albania will receive EUR 50 million, 79% of which (EUR 39,413,100) is earmarked for large scale infrastructure projects, 20% (EUR 9,978,000) is directed towards private productive investments and 1% (EUR 498,900) is to be channelled into small scale projects. Until April 2007 a total of EUR 30.049.815 has been approved by ESOAB for financing the upgrade of the Sagiada-Saranda road (40.5 km in length). Thirteen projects addressing private investments have been approved (a total of EUR 9,254,569), and 462 new jobs have been created. Eighteen small scale projects of mainly social character have been implemented at the time of writing. (total support: EUR 212,495). Seven more small scale projects are currently under implementation (cost: EUR 114.000).

## **2.9 Lessons learnt in Cross-border Co-operation within the period 2000-2006**

**(49)** Cross-border Co-operation in the area was initiated with the INTERREG II (1994-1999) and PHARE CBC programmes. They were the first major opportunity for an institutionalised co-operation between the 2 countries. This process was continued and strengthened with **the Community Initiative Programme Interreg IIIA Greece/Albania 2000-2006**. The Programme was developed jointly between Greece and Albania and was revised in order to reflect the rapidly changing situation in the eligible border area and the change of status to a common **Neighbourhood Programme Greece/Albania**. Structural Funds assistance (ERDF) amounted to EUR 90 million, out of a total budget of Euro 126 million. Assistance to Albania was being delivered under the CARDS instrument with a total CARDS budget of EUR 4.180.000.

**(50)** The programme identified two priorities (apart from the priority on technical assistance) for cross-border co-operation, namely:

- Priority 1: Cross-border infrastructure including actions like upgrading border area connections with Albania, the modernisation of border crossing installations, customs facilities and border control and security installations at these crossing points.

- Priority 2: Economic development and employment focusing on measures to encourage co-operation between firms, to protect and improve the natural environment, to improve the quality of public health services, to encourage co-operation and to develop administrative structures and finally to promote new employment opportunities by introducing new technologies within the framework of cross-border co-operation.

**(51)** The Neighbourhood Programme Greece/Albania was finally approved early in 2005 and the first call for proposals was launched on 26 June 2006.

**(52)** A total of 151 applications were submitted (90 Greek applicants, and 61 Albanian applicants). 32 were submitted in Priority 1 and 119 in Priority 2. Projects were selected by the Joint Selection Committee. The amount allocated to the projects was 37.575.330,36 Euro (ERDF) and 4.180.000 EUR (Cards).

**(53)** Programme implementation was successful in Priority 1, as Greek applicants had an advantage considering the availability of ERDF funds in order to implement significant infrastructure projects.

**(54)** However the dual structures of ERDF and CARDS, made co-ordination mainly among projects and partners difficult. The possibility however, to develop and implement joint projects was limited due to reasons beyond the control of the Programme and the Applicants motivation.

**(55)** At the programme level, the late change from CBC to Neighbourhood programme has enabled the two countries to come closer to each other, though with some difficulties. Co-operation on this level including bilateral meetings of the Monitoring and Steering Committees, exchange of information and decision making, evolved considerably. A joint secretariat has also been established and is staffed by 4 persons, 2 from each country.

**(56)** A Joint Monitoring Committee and a Joint Selection Committee have been established. The need for establishing new structures in combination with differences in the legal framework has delayed the two countries in introducing fast implementation techniques for the programming period 2000 – 2006.

**(57)** On the other hand this experience, which both countries acquired in setting up the joint structures at programme level, has contributed to both countries being well prepared in terms of coping with these demands in the 2007-13 programming period.

### **3 SWOT Analysis**

**(58)** The socio-economic background of the programme area represents one important input for implementing the SWOT analysis. Additionally to the present analysis, regional plans and programmes and other strategic documents along with the opinions of the Programming Group have been taken in consideration.

**(59)** The Albanian/Greek border area is far from being a homogenous region – neither between the two countries nor within the single participating districts themselves. Important regional centres like Ioannina, Kerkira and Korçë are however much closer to each other than to their respective national ones and face similar problems. At the same time rural areas of the eligible region have different needs and capacities, requiring a detailed case by case approach in order to overcome their problems and keep up with their regional centres

**(60)** The following SWOT analysis concentrates on the joint strengths/weaknesses and opportunities/risks, taking into consideration the diversities in economic level, structure and development processes as well as in the institutional framework.

**Table 8: SWOT Analysis**

Sector	Strengths	Weaknesses	Opportunities	Threats
<b>Demography and accessibility</b>	<p>Geographical position and climate;                      Provision of telephone lines                      Egnatia Odos                      high rates of young age population in the Albanian NUTS III regions,</p>	<p>Remoteness and isolation of micro-regions;                      Inadequate accessibility Infrastructure;                      Ageing population in the Greek NUTS III regions,                      Limited accessibility to international airports                      Provision of Internet connections</p>	<p>Completion and Funding of TEN and related projects (e.g. Ionia Odos);                      Development of Igoumenitsa port to a Gateway;</p>	<p>Funds for cross-border infrastructure reduced in the new programming period 2007-13 according to population allocation</p>
<b>Geography, Environment and Culture</b>	<p>Pristine natural environment with rich flora and fauna;                      Attractive mountains;                      Prespa Lakes under a Transnational Park status                      High quality natural resources, especially water sources;                      Integrated Greek ethnic minority in Albania and Albanian migrant community in Greece;                      Strong and vivid cultural heritage                      UNESCO sites (e.g. Butrint, Gjirokastra, Old City of Kerkyra)                      Networks and cultural exchanges reinforced during the past cross-border experience</p>	<p>Lack of co-ordinated environmental protection actions                      Cultural networks interrupted during the recent past                      Lack of masterplans for the maintenance and enhancement of archaeological sites and historical monuments</p>	<p>Promotion of Renewable Energy Sources at national and EU level in relation to the hydropower potential of the region;                      Environmental policies of the EU and request for compliance.                      Enrichment of cultural activities in the frame of free time management                      Promotion of historical and cultural heritage</p>	<p>Urban sprawl and consumption of non-replenishable resources due to changing habits and social models.                      Heavy pressure on the natural and cultural environment by uncontrolled construction activity.</p>



Sector	Strengths	Weaknesses	Opportunities	Threats
<b>Economy</b>	<p>Agricultural patterns with "organic" qualities;</p> <p>Vertical food processing industry with innovative elements;</p> <p>Developed service and tourism sector in some centres and especially in the island of Kerkira;</p> <p>Tourism still has a great potential for development;</p> <p>Cross-border investments especially in light processing and manufacturing industry</p>	<p>Low income per capita;</p> <p>Large economic disparities;</p> <p>Unemployment;</p> <p>Poverty and Migration;</p> <p>Obsolete agricultural enterprises focused on the local markets;</p> <p>Comparative advantages of the area based on cheap labour are expected to diminish in the future</p> <p>Weak R&amp;D and minimal connection to the business sector.</p>	<p>External and foreign investments especially from the Diaspora;</p> <p>Rising demand for alternative tourism;</p> <p>Rising demand for drinking water;</p> <p>Rising demand for organic farming;</p>	<p>Restrictive labour market regulations and Visa regime;</p>
<b>Education, R&amp;D, Health and Social Protection</b>	<p>Young population in Albanian areas;</p> <p>Adequate primary and secondary schools;</p> <p>Tertiary education facilities with high capacity;</p> <p>Highly developed hospital centres in the prefecture capitals.</p> <p>Highly trained medical personnel</p>	<p>Lack of indigenous Vocational training and human resources development;</p> <p>Co-operation among universities marginal</p> <p>Brain drain;</p> <p>Lack of cross-border co-operation in the health sector;</p> <p>High quality hospitals concentrated in the prefecture capitals with accessibility constraints,</p> <p>Missing emergency and Search and Rescue mechanisms</p>	<p>Telemedicine</p>	<p>Ageing population</p>
<b>Administration and state bodies capacities</b>	<p>Balanced polycentric network;</p> <p>Positive experience from the cross-border co-operation in the framework of the Neighbourhood Programme;</p> <p>Active involvement of ministries and central state authorities.</p>	<p>Weak administrative bodies in the rural areas;</p>	<p>Stable political relations between the 2 countries;</p> <p>Approximation of Albanian legislation to EU acquiri communautaire</p> <p>Regional focus of Structural Funds Management in Greece;</p> <p>IPA Component 1 and Decentralisation</p>	<p>Centralised state administration;</p> <p>Political instability in the wider region;</p> <p>Organised crime and illicit drugs;</p>

## **4 Programme Strategy**

### **4.1 Strategy Framework**

**(61)** The Programme strategy is the result of the interaction of the following elements:

- EU strategic decisions as laid down in the Community Strategic Guidelines on Cohesion (2006/702/EC),
- The specific needs and challenges of the Greek-Albanian eligible border area as presented in the analysis and SWOT of the present document,
- The scope and limitations of a Cross-border Programme as outlined in the relevant regulations (e.g. Council Regulation (EC) No 1085/2006).

These elements help in the delineation of the Programme's strategy outline and define the Global and Specific Objectives as well as the corresponding Priorities.

**(62)** The basic logic underlying the formulation of the Strategy is the definition of "policy responses" to the Strengths, Weaknesses, Opportunities and Threats identified.

Taking in account the limited funds of the Programme the policy responses are defined by the possible combination of:

- Strengths and Opportunities in order to accelerate development in particular fields;
- Strengths or Opportunities against Weaknesses in order to overcome existing shortcomings and
- Strengths or Opportunities against Threats in order to mobilise the existing potentials.

**(63)** The fundamental conclusions from the analysis of the eligible border area and the SWOT underline the importance of the strong points of the eligible border area, which are the high quality and abundance of the natural and cultural resources, the pronounced presence of young population and important educational centres and finally the intensive cross-border economic activity especially in terms of investments from the Greek to the Albanian side. On the other hand, other issues such as the geographical isolation, the large socio-economic disparities between the two countries, the limited co-operation in crucial cross-border issues such as environment and health and the environmental and socio-economic dangers imposed by uncontrolled economic development represent the main challenges that the region has to confront. EU policies are seen as an important external component which either intervene in areas which cannot be addressed by the Programme, such as State reforms through the IPA

Component 1 or through infrastructure investments through the Regional Operational Programmes of the Greek NUTS II regions or provide incentives and political legitimation in issues such as the exploitation of renewable energy sources or the protection of the environment, hence providing for the ignition of locally driven sustainable development.

#### **4.2 Application of EU principles**

**(64)** This chapter addresses key EU principles and provides a description of how the programme will pursue the horizontal objectives linked to those principles.

**(65) Principle "Promotion of sustainable development":** Development, in the context of the present Programme will be pursued in environmentally sensitive areas. As a horizontal principle, sustainability should be part of all the actions. A special consideration point is whether activities confront with different user demands. The principle of sustainability aims at providing development conditions to the living generation, without decreasing the development possibilities for the future generations. To reach this point, there have to be taken into consideration the three dimensions of sustainability, namely, the environmental, the economic and the social one.

- **Environmental sustainability** means the proper, environmental quality oriented use of natural resources, the improvement of the quality of the environment, the protection of biodiversity and risk prevention for humans and the environment.
- **Economic sustainability** implies the establishment of a future oriented economic system and a continuous increase in economic capability and competence for innovation.
- **Social sustainability** means social balance, the right for human life and the active participation of the population in policy making and society.

In the programme context that would mean that all envisaged actions respect the three dimensions of sustainability. The overall Objectives Structure and the resulting Priorities show direct links to these dimensions, addressing environmental protection and improvement, promoting a future oriented economic system based on knowledge and innovation and underlining social equality and public participation.

**(66) Principle: Promotion of equal opportunities and non-discrimination:** The implementation of the activities should be in line with European and national policies for equal opportunities and non-discrimination. Equal opportunities are a basic principle for each single activity – not a separate issue. Inclusion of equal opportunities in all activities would bring balance and fairness within the society. In the programme context that would mean that through all priorities the same tools and opportunities will be offered to all potential participating groups.

#### **4.3. Objectives and Priorities**

**(67)** The Programme Strategy is structured along one **Global Objective** and two **Strategic Priorities** which will be achieved through two **Priorities**. These two **Priorities** will be accompanied by a Priority on Technical Assistance aiming at supporting the successful implementation of the Programme.

#### **(68) Global Objective**

**To increase the standard of living of the population by promoting sustainable local development in the cross-border area.**

**(69)** The Global Objective is addressing sustainability in its economical, social and environmental components. It takes into account the need to specify and focus on the one hand on the socio-economic dimension of the cross-border area and on the other hand, on the undividable entity of nature and culture and their interactions in the eligible border area.

**(70)** On the one side the Programme will enhance co-operation among economic actors and stakeholders through common approaches for the support of local economic activities as well as the development of local human resources reflecting the needs of the area.

**(71)** On the other side, the Programme will also devote its resources to the protection and promotion of the environmental and cultural potential of the eligible border area as a means for sustainable local development.

**(72)** The Priorities of the Programme are defined below:

- **Priority 1: "Enhancement of cross-border economic development"**, aiming to promote sustainable economic development through common interventions, and to facilitate cross-border relations. **Priority 1** will be implemented through four measures focusing on the promotion of entrepreneurship, the development of tourism, the promotion of people to people actions and the improvement of border accessibility.
- **Priority 2: "Promotion and development of the environment and natural and cultural resources"** aiming to promote common actions for the protection of the environment and the improvement of the natural and cultural heritage as well as for sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development. **Priority 2** will be implemented through two measures focusing on the promotion and protection, one the one hand, of the environmental resources and, on the other hand, of the natural and cultural heritage of the area.

- **Priority 3: "Technical Assistance"** aiming at specific actions for the successful implementation of the Programme.

(73) The Programme underlines the importance on the implementation of projects with real cross-border character as requested by the IPA Regulation.

**Figure 7: Programme Structure**

**Global Objective:** Increase the standard of living of the population by promoting sustainable local development in the cross-border area.

**Priority 1:** "Enhancement of cross-border economic development"

**Areas of Intervention**

- 1.1 Promote entrepreneurship
- 1.2 Promote sustainable tourism
- 1.3 Enable people to people actions
- 1.4 Facilitate border accessibility through small scale infrastructure

**Priority 2:** "Promotion and development of the environment and natural and cultural resources"

**Areas of Intervention**

- 2.1 Promote and protect the environmental resources of the area
- 2.2 Promote and protect the natural and cultural heritage of the area

**Priority 3: "Technical Assistance"**

(74) The Programme follows a coherent objectives sequence structure ranging from the Objectives of the relevant IPA regulations, through the Priorities and the aims of each measure to the evolving project ideas. This sequence is illustrated in Table 8 for clarity reasons. Beneficiaries will be encouraged to point out the relevance of their project ideas with the overall Programme Structure.

**Table 9: Programme Structure**

<b>Level</b>	<b>Objectives</b>
Greece/Albania IPA Cross-border Programme	Increase the standard of living of the population by promoting sustainable local development in the cross-border area.
Priority 1: "Enhancement of cross-border economic development",	The Aim is to: Enhance the co-operation among economic actors and stakeholders through common approaches for the support of local economic activities and the development of local human resources reflecting the needs of the area
Measure 1.1 Promote entrepreneurship	The aim is to support interventions <b>facilitating the development of cross-border economic activities</b> through the utilisation of the existing potential and the emerging opportunities.
Measure 1.2 Promote sustainable tourism	The aim is to <b>support common cross-border activities supporting sustainable tourism</b> and utilising the existing natural and cultural heritage.
Measure 1.3 Enable People to people actions;	The aim is to <b>support common cross-border activities</b> of a smaller scale focusing directly to the interaction of the local population on matters supplementary to economic development
Measure 1.4 Facilitate border accessibility through small scale infrastructure	The aim is to <b>support small scale interventions</b> which contribute to <b>swift and efficient</b> border crossing procedures.
Priority 2: "Promotion and development of the environment and of the natural and cultural resources"	The Aim is to: Mobilise the <b>environmental and cultural potential</b> of the eligible border area as a means for sustainable local development.
Measure 2.1 Promote and protect the environmental resources of the area	The aim is to support interventions that <b>protect the environment and mitigate the environmental impacts</b> related to economic development.
Measure 2.2 Promote and protect the natural and cultural heritage of the area	The aim is to support interventions <b>that protect and mobilise the natural and cultural resources</b> as means for a local-driven sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development.

#### **4.4 Financial allocation per priority**

**(75)** The structure of the Programme objectives, the internal coherence of the Programme, the lessons learned during the Neighbourhood Programme Greece/Albania (2004 – 2006) and the proposals submitted by potential beneficiaries **require a balanced allocation** of the available funds. The financial allocation in the table is indicative.

**Table 10: Indicative financial allocation per Priority**

Priorities	Budget share
Priority 1: "Enhancement of cross-border economic development",	45%
Priority 2: "Promotion and development of the environment and natural and cultural resources"	45%
Priority 3: "Technical Assistance"	10%

#### 4.5 Quantification of objectives

(76) The IPA Implementing Regulation, Article 94 emphasises the need to describe the objectives of each priority using a limited number of indicators for output and results. All priorities should set quantified targets by means of a limited set of indicators to measure the achievement of the programme objectives.

(77) Due to the limited financial resources of this Cross-border Programme and the scope, limitations and possible activities of Territorial Co-operation in general, it is obvious that the results of the programme will be mainly intangible; however, in some cases material investments may be appropriate and justifiable. Results will be more difficult to measure compared to e.g. Objective 1 Convergence programmes. Results are generated through the outputs of projects within the scope of the programme. In contrast, impact indicators refer to the long-term consequences of the programme and are beyond the control of the programme management. So impact indicators are not included in the programme.

(78) The Programme **contains only a sub-set of output and result indicators**, which are ex-ante-quantified. A **full set** of indicators will be further developed in a separate document providing in-depth details for the implementation of the programme. The full set of indicators serves for the **programme structures** and forms an indispensable basis for the **reporting and communication needs** to make the programme achievements **visible** to the programme partners and to a broader public.

(79) The ex-ante quantification of the **output and result targets** is based on **two parameters**: the allocation of IPA funds per Priority and an estimated average project size.

**Table 11: Ex-Ante-quantified Output and Result Indicators for the Programme**

	Indicator	Target	Source of Verification
IPA Programme Greece/Albania 2007-2013	<b>Output:</b> 1. No of projects respecting only one of the following criteria: joint development, joint implementation, joint staffing, joint financing	70	1. Programme Monitoring 2. Programme Monitoring
	2. No of projects respecting only two of the following criteria: joint development, joint implementation, joint staffing, joint financing	40	
Pr.1: Enhancement of cross-border economic development	1. No of projects contributing to Cross-border Economic Development	40	1. Programme Monitoring
Measure 1.1 Promote entrepreneurship	1. Output: Number of projects	12	1. Programme Monitoring 2. Project reporting
	2. Result: <i>Contributions</i> to the economic development of the eligible border area	12	
Measure 1.2 Promote sustainable tourism	1. Output: Number of projects	10	1. Programme Monitoring 2. Project reporting
	2. Result: <i>Contributions</i> to the tourism development of the eligible border area	10	
Measure 1.3 Enable People to people actions	1. Output: Number of projects	15	1. Programme Monitoring 2. Project reporting
	2. Result: <i>Contributions</i> to the closer relations of the people in the eligible border area.	15	
Measure 1.4 Facilitate border accessibility through small scale infrastructure	1. Output: Number of projects	3	1. Programme Monitoring 2. Project reporting
	2. Result: <i>Contributions</i> to the border accessibility	3	
Pr. 2 Promotion/ Development of the environment and of the natural and cultural resources	1. No of projects contributing to the Promotion and Development of the environment and natural and cultural resources	30	1. Programme Monitoring
Measure 2.1 Promote and protect the environmental resources of the area	1. Output: Number of projects	15	1. Programme Monitoring 2. Project reporting
	2. Result: <i>Contributions</i> to the protections and promotion of the environment	15	
Measure 2.2 Promote and protect the natural and cultural heritage of the area	1. Output: Number of projects	15	1. Programme Monitoring 2. Project reporting
	2. Result: <i>Contributions</i> to the protections and promotion of the natural and cultural heritage	15	
Pr. 3: Technical Assistance	1. Output: No of information/ dissemination activities targeting final beneficiaries (seminars, consultations, newsletters, brochures etc.)	50	1. Programme Monitoring
	No of meetings held at transnational level	10	
	Communication Plan	1	

**(80)** The **complete list of output and results indicators** (which is not part of the operational programme) could include more output and **results** indicators referring to **all priorities** and measures and **horizontal** output-indicators reflecting project characteristics, strategic implementation principles, output of project activities, public awareness. All relevant indicators should be **included in application forms and reports**.

**(81)** According to the IPA Implementation regulation, Article 94 the Programme must provide information on the priorities, the related activities and their specific targets. Those targets shall be quantified using a limited number of indicators for output and results, taking into account the



proportionality principle. The indicators shall make it possible to measure the progress in relation to the baseline situation and the effectiveness of the targets implementing the priorities.

**(82)** Context indicators should monitor the evolving socio-economic context of the programme. Context indicators form part of the **analysis** to describe the socio-economic development status based on official statistics (e.g. Public expenditure on education in % of GDP, 2004). For the Programme no context indicators (going beyond the analysis) are defined. The fund volume of the Programme, represents **only a very small part** of the entire public expenditure in the eligible border area. A connection between the Programme funds and context indicators is not possible.

#### **4.6 Compliance and complementarity with other policies and programmes**

**(83)** The new Greece/Albania IPA Cross-Border Programme conforms to the principles addressed by the EU regarding European policies and priorities for Equality, Sustainability, Cohesion, Competitiveness, etc. The two Priorities (apart from the third priority "Technical Assistance") and the six measures are based on the Lisbon and Gothenburg principles. They are aiming at improving the local economic base, which apart from innovation and entrepreneurship promotes social equity, advances human resources and a sustainable natural and cultural environment.

**(84)** The new Cohesion Policy addressed by the European Union focuses on four main principles:

- Encouraging Innovation, Entrepreneurship and promoting the Knowledge Economy.
- Improving the attractiveness of the two States and their cross-border regions through accessibility, quality of life and environmental conservation.
- Providing more and better jobs for women for gender convergence to be achieved, as well as more opportunities for the vulnerable groups and the ethnic or social minorities.
- Convergence between urban and rural areas, in order a limitation of the gap between the rich and the poor to be achieved.

**Table 12: Contribution to the Lisbon Agenda, Gothenburg Priorities, Strategic Cohesion Guidelines and the MIPD**

	Competitiveness	Social Equity	Sustainable Natural and Cultural Environment	Equality	Cohesion Guideline 1: Improving the attractiveness of the two States	Cohesion Guideline 2: Encouraging Innovation, Entrepreneurship and promoting the Knowledge Economy	Cohesion Guideline 2: More and Better Jobs	MIPD 1: Cross-border Infrastructures	MIPD 1: Economic Development and Employment
Pr.1: Enhancement of cross-border economic development	Very highly coherent	Coherent	Highly coherent	Very highly coherent	Highly coherent	Very highly coherent	Very highly coherent	Coherent	Very highly coherent
Measure 1.1 Promote entrepreneurship	X			X		X	X		X
Measure 1.2 Promote sustainable tourism	X		X	X	X	X	X		X
Measure 1.3 Enable People to people actions		X	X	X	X	X	X		X
Measure 1.4 Facilitate border accessibility through small scale infrastructure	X							X	
Pr. 2 Promotion/Development of natural and cultural resources	Coherent	Coherent	Very highly coherent	Coherent	Very highly coherent	Coherent	Coherent	Coherent	Very highly coherent
Measure 2.1 Promote and protect the environmental resources of the area			X		X	X		X	X
Measure 2.2 Promote and protect the natural and cultural heritage of the area	X	X	X	X	X		X		X

**(85)** All the aforementioned principles are consistent with the Lisbon Agenda and the Gothenburg Strategy for Sustainable Development. The main objectives of the IPA Component on Cross-border Co-operation are the promotion of sustainable economic and social development in the border areas; the co-operation in addressing common challenges in fields such as environment, natural and cultural heritage, public health and the prevention of and fight against organised crime and the promotion of joint small scale actions involving local actors from the border regions. At the same time Structural Funds promote sustainability, environmental protection and risk prevention, equal job opportunities, enhancing access to employment and participation in the labour market, reinforcing social inclusion enhancing entrepreneurship through innovation, promotion of public and private investments, information society and promotion of R&D and finally cross-border and inter-regional co-operation between regional and local authorities.

**(86)** Complementarily to these principles, regulation 1085/2006 "establishing an Instrument for Pre-Accession Assistance (IPA)" target the assistance to the beneficiary countries in their progressive alignment with the standards and policies of the European Union, including the **acquis communautaire** and the social, economic and territorial development, including infrastructure and investment related activities in the areas of regional, human resources and rural development.

**(87)** The new Programme conforms to the European Policies and Priorities since its main axis and priorities will be focused on the promotion and application of the abovementioned European regulations.

**(88)** Taking into consideration Article 16 of regulation 1083/2006 (the General Regulation), with reference to the equality between men and women and their non-discrimination, the 6th Action Plan which describes the European environmental policy until 2010, as well as the general approach of the General Aim 4, 8, 9, 10, 11, 12, 15 and 17 of the Greek National Strategic Reference Framework 2007-2013, the Greece/Albania IPA Cross-Border Programme will also further assist:

- The promotion of gender equality through specific actions
- The promotion of Social Inclusion
- Quality investing in human resources for the enhancement of the educational system and the health system
- Better accessibility to employment
- The improvement of life-quality and entrepreneurship
- Sustainable environmental management and

- The prominence of culture as a factor of economical development.

### **Conformity with National Policies and Priorities**

**(89)** This Programme is based on the main guidelines provided by the National Strategic Reference Frameworks (NSRF) for Greece and the MIPD of Albania, as well as on the priorities provided by the EU, as far as the promotion of Sustainability and Cohesion is concerned. The Greek NSRF and the Albanian MIPD represent the National Policy issues and priorities for Sustainability, Entrepreneurship and Innovation, Investments and Promotion of employment. All the aforementioned priorities have been derived from the Treaty, the renewed Lisbon Agenda, as well as the Regulations of the Structural Funds and IPA Regulation, and the renewed directive for Sustainability that will be applied during the current programming period.

### **Greek National Strategic Reference Framework**

**(90)** The Greek policy for Cohesion is based on the European principles according to which the European Union should:

1. Become a more attractive place for investments (foreign and internal) and employment.
2. Enhance innovation and knowledge economy for embracing spatial development.
3. Offer more and better jobs for equal opportunities.

The main **keywords** of the aforementioned principles are "Territorial Cohesion and Co-operation", "Improving Infrastructures", "Conservation of the Environment", "Promotion and enhancement of Alternative forms of Energy", "Enhancing Competitiveness and Entrepreneurship, Innovation and Knowledge Economy", "Funding" and "More and better jobs".

**(91)** According to the new principles for Cohesion and the new directives provided by the Structural Funds (ERDF, ESF) and other aid Funds (EARFD-European Agricultural and Rural Development Fund, EFF-European Fishery Fund), the Greek NSRF promotes:

- Competitiveness and accessibility
- Digital convergence
- Environmental conservation and Sustainable Development
- Education and lifelong learning
- Skills improvement for civil servants.

**(92)** According to the aforementioned analysis, the strategy for the Cohesion and Development of the country is relevant and convergent to the ESDP and the European Framework of Priorities

and Principles for Equality, Lisbon and Gothenburg Strategies and Structural Funds' regulations. The new regulations take into consideration the spatial integration and enlargement of the European Union, in order to secure social and economic cohesion and prosperity.

### **The Albanian Multi-annual Indicative Planning Document (MIPD) 2007 - 2009**

**(93)** The Multi-annual Indicative Planning Document (MIPD) 2007 - 2009 is the key strategic planning document for assistance to Albania under the Instrument for Pre-Accession Assistance. The main strategic objective of the pre-accession assistance to Albania is to support the country in the transition from the status of a potential candidate to a candidate country and through to membership of the European Union. IPA will support Albania to meet the Accession Criteria by fulfilling the political, economic and acquis-related criteria for membership.

At the same time IPA will support the implementation of Albania's National Strategy for Development and Integration and the National Plan for the Approximation of Legislation and SAA Implementation as well as other relevant horizontal, multi-sectoral strategies in the areas which correspond to the EU integration process.

**(94)** The strategic choices made for Albania in the Multi-annual Indicative Planning Document are based on the needs and priorities which had been identified in the Stabilisation and Association Process and which had been articulated in the Progress Report. Particular areas related to the Stabilisation and Association Agreement obligations and entering into force of the Interim Agreement are also considered a priority. As a potential candidate country in order to respond to the identified needs, the MIPD 2007 – 2009 addresses in its component I – Transition Assistance and Institution Building its support to Albania to cope with the political requirements of the Stabilisation and Association Process, to improve the economic indicators and to comply with European Standards.

**(95)** In response to the above requirements, the IPA MIPD addresses the regional co-operation requirement in its component II – Regional and Cross-border Co-operation by proposing joint projects at the borders with Italy, Greece, the former Yugoslav Republic of Macedonia, Montenegro and Kosovo (according to UNSCR 1244), as well as in the multi-country Adriatic IPA Cross-Border Programme.

**(96)** The Cross-Border Co-operation component may also support the participation of Albania in the relevant transnational and interregional programmes under the Structural Funds' European territorial co-operation objective. Beside its regional development objectives, IPA Component II also aims to familiarise candidates and potential candidates with the procedures of the cross-border programmes of the Structural Funds.

**(97)** The strategy of the Programme is formulated so as to ensure complementarities with National Policies. Regarding the conformity of the Programme with the National and European

Guidelines, several meetings have taken place to ensure that overlapping with actions taken at the national level will be avoided. Representatives of ministries and regional and local authorities were invited to participate in the discussion of the draft of the Programming Document and the strategic concept and priorities of the new cross-border Programme. The comments and feedback collected by all participants was taken into consideration for the formulation of the updated Programming Document; the political representatives also validated that the interventions proposed by the new Greece – Albania Programme is complementary and not overlapping to the actions and priorities proposed at both national levels.

**(98)** The Strategy and respective Priority Axes were presented and openly discussed. All representatives were invited to stress their viewpoints about the programme and give feedback as regards the final priorities and axes. All respective feedback was taken into consideration for the formulation of the final Programming Document, while the discussion that followed the presentation of the new Programme further ensured that the initiatives and categories of project ideas proposed have a complementary rather than overlapping role to the regional and national strategies of both countries.

**(99)** Taking into consideration all national policies and Programmes, the Strategy and Priority Axes of the formulated programme ensures the meeting of the needs of the eligible border area, complementing but not overlapping the actions and initiatives undertaken at the national and regional level.

#### **Co-ordination with Rural Development Programmes**

**(100)** Particular attention must be paid to appropriate co-ordination with rural development programmes on both sides of the border, in order to ensure complementarity and remove the risk of overlapping actions. It should be noted, however, as this programme is exclusively cross-border in nature, the risk of any overlaps is significantly reduced since rural development programmes in Greece or Albania are, by their nature, national.

**(101)** The managing authority shall ensure all necessary steps to ensure co-ordination with the Greek Rural Development Programme for 2007-2013, including keeping the managing authority of the Rural Development Programme informed of all projects supported which are of relevance for that programme. Any funding related to so called "Annex I" products (cf. Article 32 of the EU Treaty) must be fully compliant with all rules relating to cumulative aid in particular.

**(102)** In any future rural development programme for Albania supported by IPA funds, the Albanian Operating Structure will ensure the appropriate co-ordination.

#### 4.7 Main findings of Ex-ante Evaluation and Strategic Environmental Assessment

##### 4.7.1 (103) Main findings of the Ex-ante Evaluation

Ex-Ante Recommendations	Integration in the Programme
<p>The socio-economic analysis should explore more &amp; assess crucial <b>inward</b> (endogenous) development factors that affect potential sources of comparative advantage, such as possibilities for added-value processing of locally made &amp; produced goods that are transshipped across historical trade patterns between small-scale production units scattered in the area, indicating local clustering potential, and possible branding of local skills and competencies in connection with the area's unique characteristics (cultural heritage, eco-tourism, stonemasonry, construction) that have cross-border synergies and global appeal.</p>	<p>Scope of socio-economic analysis was extended to document changing structure of area economy in reflection of global market pressures, and to identify development potential in key areas (e.g. transport, tourism, culture)</p>
<p>Some minor additions and corrections in the designation of various elements to quadrants of the <u>SWOT analysis</u></p>	<p>Accepted &amp; SWOT analysis was revised accordingly</p>
<p>The <u>SWOT analysis</u> could be further used, by the combined reading of statements in the quadrants, as a policy-option generating tool.</p>	<p>The programme partners consider that the SWOT analysis has been fully used as a policy-option generating tool.</p>
<p>The initial <u>strategic framework</u> of the Programme was very generic, broadly-stated and unnecessary complicated at the specific objective level.</p> <p>It could've been re-phrased to better reflect the identifying characteristics of the cross-border area, as well as the limited financial means, for example the <b>overall aim</b> of the Programme could be to accelerate the <b>European integration of the</b> cross-border GR-AL area by joint and sustainable development of local resources</p> <p>In addition, the implementation of the basic programme strategy could be carried out within two strategic priorities, instead of differentiating between 2 specific objectives &amp; 2 priority axis.</p>	<p>After extensive discussion, a modified version of the suggested overall aim was adopted, as well as the simplified priorities structure.</p>
<p>Initially, the achievements of the 2000-6 funding period were used as <u>baseline for Results indicators</u>, which is not advisable because it is not consistent with methodological guidance by the E.U. Evaluation Unit and will likely marginalize the ramifications of the Programme 2007-13 given the reduced budget.</p>	<p>Accepted &amp; baseline of Results indicators was revised</p>

Add as an <b>Impact indicator</b> , jobs created	From the point of view of proportionality, the programme partners decided not to make use of impact indicators.
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#### 4.7.2 Main findings of the Strategic Environmental Assessment

**(104)** This chapter presents the non-technical summary of the strategic environmental assessment according to the EU Directive 2001/42/EC.

**(105)** The Programme eligible border area is composed of the districts of Vlorë, Gjirokastër and Korçë in Albania and the Prefectures of Kerkira, Thesprotia, Ioannina, Kastoria, Grevena and Florina in Greece.

**(106)** The Programme Strategy is structured along one Global Objective and two Strategic Priorities which will be achieved through two Priorities. These two Priorities will be accompanied by a Priority on Technical Assistance aiming at successful implementation of the Programme.

**(107)** The global objectives of the Programme are to increase the standard of living of the population by promoting sustainable local development in the cross-border area.

The Priorities of the Programme are defined below:

**(108)** Priority 1: "Enhancement of cross border economic development", aiming to promote sustainable economic development through common interventions, and to facilitate cross border relations.

**(109)** Priority 2: "Promotion and sustainable development of the environment and of the natural and cultural resources" aiming to promote common actions for the protection of the environment and the improvement of the natural and cultural heritage as well as for the sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development.

**(110)** Priority 3: "Technical Assistance" aiming at specific actions for the successful implementation of the Programme.

**(111)** The Greece/Albania IPA Cross-Border Programme is based on the main guidelines provided by the National Strategic Reference Frameworks (NSRF) for Greece and the MIPD of Albania, as well as on the priorities provided by the EU, as far as the promotion of Sustainability and Cohesion is concerned.



**(112)** Environmental needs and priorities in Greece and Albania are similar, the cross border region consist of rich environmental and nature values. In the SEA, environmental issues biodiversity, population – material assets, human health, flora, fauna, soil, water, air, climatic factors, cultural heritage and landscape were considered.

**(113)** The SEA describes initially the propable development that concern these issues in case the Programme is not implemented and subsequently assesses the relevance of the above mentioned environmental issues to the Programme Priorities and Areas of Intervention. Where no relevance is assumed, no further assessment is conducted. Even if the configuration of alternative scenarios constitutes an important element for the implementation of the Strategic Environmental Assessment, for the present programme there is no need of forming other alternative solutions, because of the limited impacts on the environment. Generally, the program has a limited economic object and the actions that constitute the programme are considered mild with no important technical works.

**(114)** The next chapter is dealing with the current state of the environment in the eligible border area. The following topics are analysed:

#### **Population**

**(115)** The trends in the eligible border area show a significant reduction of the population. As for the population structure, the Albanian districts reveal a large percentage of young population, whereas in Greece there is a more balanced picture with the obvious exception of Thesprotia.

#### **Human health**

**(116)** The main urban centres dispose sufficient health infrastructure including state hospitals, health centres and sanatoria. The existing facilities on the Greek side are used by the population of both sides of the border, since hospitals in Albania have been facing extreme shortages in equipment.

#### **Biodiversity, flora and fauna**

**(117)** Natural habitats and their plant and animal communities have declined and are still declining in quality as well as quantity. The greatest negative changes are occurring in farmland habitats maintained by human activities, in forests, and on shores. Pressure on biodiversity is particularly highlighted in areas where land use pressure is intense.

**(118)** The Greek eligible area has a significant number of protected areas, National Parks, game refuges etc., protected by European and/or National legislation. They are protected for their significant habitat, fauna and flora diversity, which includes several rare species in Greece as well as in Europe. In accordance to the Directives 92/43/EEC and 79/409/EEC, in the eligible area of

Greece, there have been selected 17 Natura 2000 Sites of Community Interest – SCI, 11 Special Protected Areas – SPA and 10 SCI/SPA sites.

**(119)** Albania, although a small country, is distinguished for its rich biological and landscape diversity. This diversity derives from the country's geographic position and its geological, hydrological, climatic, and soil and relief characteristics. The mountainous terrain combined with steep cliffs creates ideal conditions for maintaining and protecting a large number of species, which are both endemic and subendemic. After 1992, with the approval of the law "On the Environmental Protection", and a number of respective laws regarding the forests, wild fauna, etc., the work for the restructuring the Network of Protected Areas started, according to the concepts accepted by IUCN.

### **Soil**

**(120)** In Greece the main problem regarding soil resources is desertification (including soil erosion and soil salinization) that results in the reduction of soil productivity and the degradation of quantity and quality of water resources. Soil erosion and land degradation constitute a severe problem in Albania. The erosion conditions (climate, land use and topography) are extreme and conservation measures are urgently needed. Another problem that soil resources in both countries face is the lack of efficient waste management plans and facilities.

### **Water**

**(121)** The eligible border area is rich in natural resources. The abundance of water resources has made the area an important source of hydropower for both countries.

**(122)** The intense agricultural and stockbreeding activities, the industrial activity, the tourist growth, the hydroelectric projects as well as the aquiculture, in combination with wastewater organic loads, constitute the main pollution source of the groundwater and surface waters. Other falloff reasons of the wetlands are straining, overfishing, habitation and extension of settlements, pollution from solid waste disposal and petrol abstraction in the Albanian side.

**(123)** The Greek eligible area does not face serious problems of sufficiency and pollution of its water resources, only seasonally and focused in local scale. Water quality is expected to degrade in Albania because of not only the climate changes, but also the new industrial and agricultural development.

**(124)** The coastal bathing waters quality of the area is monitored systematically, according to the European Union directives and their compatibility with the obligatory values of the relative Directive 76/160/EEC approaches 100%.

**(125)** Until lately there was not any wastewater treatment plant in the Albanian eligible area. However, the implementation procedures for some projects in the area are in progress. The municipalities do not measure the quantity and the quality of the wastewaters released by the pollution sources.

#### **Air**

**(126)** The main sources of air pollution are the central heatings boilers of the residences that use oil as raw materials, the vehicles and generally traffic volume of the road network and any industrial activities that might exist.

**(127)** In West Macedonia, the industrial activity constitutes a very important source of atmospheric pollution. The thermoelectric units of the NATIONAL ELECTRICAL COMPANY SA release an important percentage of the area total air pollution. In the Albanian side data on the urban air quality of the eligible area are not sufficient enough to form a clear view. The main elements which contribute in the reduction of the air quality are transport and construction sector.

#### **Climatic factors**

**(128)** For Greece the Kyoto objective forecasts increase of the 6 greenhouse gases emissions up to the period 2008-2012 at 25% related to the levels of 1990 (1995 is the reference year on gases HFC, PFC and SF6).

**(129)** According to the climate change scenarios for Albania (prepared within the framework of First National Communication) an increase in annual temperature up to 3.6°C and decrease in precipitation to -12.5% is expected by 2100 related to 1990.

**(130)** The climate of the area is influenced by the diverse relief and ranges from Mediterranean in the coastal zones, to alpine in the hinterland. Precipitation is high and clearly above the respective national averages.

#### **Cultural heritage**

**(131)** In both Greek and Albanian eligible area there are significant elements of cultural heritage, which range from the Neolithic epoch to modern times. Monuments of great historical or religious importance and value of ancient Greece, the Roman, Byzantine and Ottoman Empire are found in all regions of the eligible area, as well as a significant number of museums (e.g. archaeological, historical and ethnographic).

#### **Landscape**

**(132)** The main characteristics of the eligible border area are the mountain ranges, which form a part of the Dinaric Alps. Altitude ranges from sea level at the western coastal zones up to the highest peaks of over 2.600m (Mount Smolikas) in the East. The area is mostly forested with some agricultural activity (forestry, grazing, dry and irrigated agriculture) in smaller valleys. The mountains, lakes and rivers form a very diverse landscape with numerous small fertile plains, long and narrow valleys, and steep ravines, such as the Aaos gorge and the Vikos ravine.

**(133)** Next, the SEA projects the likely positive or negative environmental impacts of the specific Priorities and Areas of Intervention to the relevant environmental issues. Most Areas of Intervention do not promote construction works, which could have impacts on the above-mentioned sectors of the environment. The Programme has in most cases a positive or neutral impact on the environment through the enhancement of cross border economic development, promotion and sustainable development of the environment and natural and cultural resources, introduction of new technologies, elaboration of joint development strategies and documents, improving co-operation and proper selection and management of the projects.

**(134)** The probable negative environmental effects likely result from the areas of intervention: a) promotion of sustainable tourism, b) facilitation border accessibility through small scale infrastructure. These effects may be related to the number and impacts of visitors in the programme area over-using the natural environment. For example, due to increased transport intensity and energy usage in the region, a negative but insignificant impact to air quality and climate change is anticipated. Also, increased noise pollution, water consumption and waste production are expected due to enlarged traffic and increased tourism infrastructure. However, these areas of intervention will have insignificant impacts on environmental objectives, only if mitigation measures will be implemented. The potential infrastructures to be built, although small scale, must underlie to the national or European legislation about Environmental Impact Assessment.

**(135)** Finally, follows the monitoring of the Programme, which is of great importance for its successful implementation, as well as for the possibility of taking the necessary measures in order to improve its performance.

**(136)** Practical experience shows that process- and performance-related measurements of environmental goals are necessary. Single projects will only rarely have environmental impacts that are measurable in respect of environmental indicators. The focus must therefore be on ensuring that the projects implemented contribute in the right direction and do not harm the environment.

## **5 Priorities and Measures**

(137) The structure of the programme consists of **two Priorities** with **six measures**. Priorities 1 and 2 are oriented towards Lisbon as well as Gothenburg principles and take into consideration the cross cutting issues of equal opportunities, genuine cross-border co-operation and sustainability.

(138) Additionally a Priority 3 "Technical Assistance" is foreseen.

### **5.1 Priority 1: "Enhancement of cross-border economic development"**

(139) **Context:** The economy of the eligible border area is characterised by large disparities in income and employment opportunities on the one hand and vivid cross-border trade, dynamic industries and a large potential for the development of sustainable tourism and services on the other. The Programme can intervene in specific points providing for the missing links in the cross-border relations. Thus the public funds committed can produce real added value for the eligible border area. In the narrower field of economic co-operation, cross-border relations are developing rapidly. However the Programme can address the need for closing the information and communication between the bodies facilitating economic development in the region. Hand in hand with economic development the promotion of sustainable tourism appears as a necessity taking into account the natural and cultural potential of the eligible border area. Economic development however is not taking place in a vacuum. Hence the promotion of people to people actions addressing immanent needs in training, health care and exchanges is also an integral part of the Priority. Last but not least efficient border accessibility is considered as a condition *sine qua non* for the enhancement of cross-border economic development, continuing a successful story of the Neighbourhood Programme Greece/Albania.

(140) **Objective:** Priority 1 "Enhancement of cross-border economic development", aims to promote sustainable economic development through common interventions and facilitate cross-border relations. Priority 1 will be implemented within four Measures focusing on the promotion of entrepreneurship (Measure 1.1), the promotion of sustainable tourism (Measure 1.2), the promotion of people to people actions (Measure 1.3) and the facilitation of border accessibility (Measure 1.4).

(141) **Indicative Beneficiaries:** Priority 1 is directed mainly towards ministries and central state bodies with regional competences, regional authorities, local self-government, education and research institutes, chambers, professional associations, cultural institutes and health

directorates . As a general rule possible applicants are mainly public or public equivalent bodies implementing activities of non-profit character. However the Programme remains **objective-driven**, meaning that all projects implemented contribute to the objectives. Hence all potential beneficiaries are welcome to participate and are evaluated based on the virtue of their project proposals and contributions to the programme objective.

**(142) Measure 1.1 Promotion of entrepreneurship:** The aim is to support interventions facilitating the development of cross-border economic activities through the utilisation of the existing potential and the emerging opportunities.

**(143) Potential indicative activities are:**

- Development of joint actions for co-operation, exchange of information and coordination of activities and services among professional associations and chambers,
- Support for research activities and studies for the facilitation of cross-border trade and investment,
- Development of cross-border databases and business partner search facilities,
- Development of public services for activities for the facilitation of cross-border trade and investment,
- Development of trans-boundary associations,
- Transfer of know how in relevant business areas,
- Promotion of common events and fairs.

**(144) Measure 1.2 Promotion of sustainable tourism:** The aim is to support common cross-border activities supporting tourism and utilising the existing natural and cultural heritage.

**(145) Potential indicative activities are:**

- Development of joint tourism territorial planning,
- Development of a regional brand-name and joint marketing initiatives,
- Development of standards for services, common billing systems, common training etc.,
- Development of thematic tourism clusters and routes (e.g. monasteries),
- Development of eco-tourism networks,
- Enhancement of existing outdoor activities,
- Promote the combination of local craftsmanship and tourism.

**(146) Measure 1.3 People to people actions:** The aim is to support common cross-border activities of a smaller scale focusing directly to the interaction of the local population on matters supplementary to economic development as well as social – and health issues.

**(147) Potential indicative activities are:**

- Co-operation of universities and education institutes for the development of common courses,
- Enhancement of students' mobility,
- Development of vocational training and qualification, especially for disadvantaged groups,
- Know-how transfer relating to health and social welfare matters
- Development of innovative and customised life-long learning concepts,
- Development of networks for exchanges on living culture, training, sport, local media, public participation, citizens' action etc.,
- Development of mobile cross-border Primary Health Care,
- Improvement of the quality of services provided to the local population by Cross-Border Health Centres, including equipping existing health care units.
- Prevention and control of infectious diseases,
- Development of links for the local and central health services and Search and Rescue for joint response to health emergencies,
- Support to the use of new technologies and ICT in cross-border co-operation in the health sector.

**(148) Measure 1.4 Facilitate border accessibility through small-scale infrastructure:** The aim is to support small-scale interventions which contribute to fast and efficient border crossing procedures.

**(149) Potential indicative activities are:**

- Support small-scale upgrades at the border stations, and improvement of safety procedures linked to mobility of persons, capital and goods;
- Support ICT interventions to facilitate and accelerate border checks,
- Development of coordinated customs procedures
- Support the development of studies in order to facilitate and accelerate border checks,

- Explore the potential for public transport.

## **5.2 Priority 2: Promotion and Sustainable Development of the environment and of natural and cultural resources**

**(150) Context:** The eligible border area has been a space of vivid cultural exchange for centuries, creating thus a fascinating conglomerate of natural and cultural monuments, elaborated local craftsmanship and architecture and dense cultural lay and religious networks. The political development in the later half of the 20<sup>th</sup> century led to an extreme isolation, which weakened the cultural connections but preserved the natural environment in a pristine status seldom encountered. These two strong points of the eligible border area are important pillars in the quality of life and also accelerators of economic and social development. In the same time their existence and quality is threatened by the rapid economic development and the negligence of ecological principles. The Programme can be pivotal in establishing crucial links in the protection of the environment and the fighting of environmental hazards spreading across state borders. On the other hand the Programme is essential in closing the gaps in the cultural fabric of the area reanimating traditional links and creating new ones among the people of the eligible border area.

**(151) Objective:** *Priority 2 aiming to promote common actions for the protection of the environment and the mobilisation of the natural and cultural heritage.. Priority 2 will be implemented within two Measures focusing on the promotion and protection of environmental resources (Measure 2.1) and the natural and cultural heritage of the area (Measure 2.2).*

**(152) Indicative Beneficiaries:** Priority 2 is directed mainly towards Ministries and central state bodies with regional competences, regional authorities, local self-government, education and research institutes., protected areas' management bodies, museums and cultural institutes, and non governmental organisations . As a general rule possible applicants are mainly public or public equivalent bodies implementing activities of non-profit character. However the Programme remains **objective-driven**, meaning that all projects implemented contribute to the objectives. Hence all potential beneficiaries are welcome to participate and are evaluated based on the virtue of their project proposals and contributions to the programme objective.

**(153) Measure 2.1 Promote and protect the environmental resources of the area:** The aim is to support interventions that protect the environment and mitigate the environmental impacts related to economic development. During project proposal evaluation special attention will be given to avoid duplication of activities that will be financed by sectoral Operational Programmes and other National Programmes, while fully exploiting potential synergies.



**(154) Potential indicative activities are:**

- Implementation of trans-boundary environmental impact assessments,
- Development of training and awareness programmes and regional certificates especially in the fields of eco-tourism, organic farming and renewable energy,
- Development of networks and plans for the management and preservation of the water resources (e.g. according to the Water Framework Directive 2000/60/EC) including actions targeting the clarification of the overall vulnerability of the relevant cross-border water resources,
- Development of links in the cross-border environmental planning of the involved public bodies,
- Recording and assessment of threatened elements of the natural environment
- Development of cross-border strategies for waste and wastewater management especially in connection to the rivers,
- Enhance co-operation in the fields of protected areas
- Enhance coordination and joint training of natural hazards early warning and response mechanisms,
- Assessment of climate induced changes in the water cycle, extreme events and human health,
- Activities improving knowledge about the state and evolution of sustainable use of wetlands, desertification, atmospheric processes and chemistry (in relation to the cross-border area),
- Development of innovative approaches in land use and urban development especially around brownfields, former military zones, coastal zones, environmental hotspots and envisaged development zones.

**(155) Measure 2.2 Promote and protect the natural and cultural heritage of the area:**

The aim is to support interventions that protect and mobilise the natural and cultural resources as means for a local-driven sustainable development while safeguarding the natural and cultural heritage from impacts related to economic development. During project proposal evaluation special care will be given to avoid duplication of activities that will be financed by the sectoral Operational Programmes and other National Programmes, while fully exploiting potential synergies.

**(156) Potential indicative activities are:**

- Promotion and upgrade of natural and cultural monuments including religious monuments, traditional and listed buildings, historical and archaeological sites,
- Promotion and marketing of the region towards Special Interest Groups,
- Development of ICT tools for the promotion and protection of natural and cultural monuments,
- Development of common tools in the fields of protection and restoration of cultural landscapes,
- Promotion of local architecture,
- Development of innovative approaches in land use and settlement development especially around leisure and recreation settlements and cultural sensitive areas,
- Development of actions recording, and promoting shared traditional features (music, language, folklore) including joint cultural events (festivals conferences, etc).

**5.3 Priority 3: Technical Assistance**

**(157)** Priority 3 on Technical Assistance includes activities which

- Secure the core management for the implementation of the programme (programme preparation, management, monitoring, evaluation and auditing);
- Implement accompanying actions to support the generation and implementation of high quality, result oriented cross-border projects and partnerships.

**(158)** As outlined in detail in the Implementing Provisions, the Technical Assistance will focus on activities necessary for the effective management and implementation of the programme. Last but not least Technical Assistance funds should also be earmarked to provide environmental monitoring of the Programme, if existing monitoring measures are considered inadequate (in accordance with the SEA report).

## **6 Publicity and Visibility**

**(159)** In accordance with Article 62 and 63 of the IPA Implementing Regulation the Managing Authority of the Programme will provide and guarantee for its publicity and its visibility. The information provided shall be addressed to all citizens and beneficiaries with the aim of highlighting the role of the Community and ensure that assistance from the Funds is transparent.

**(160)** Publicity and its visibility on the Programme will be provided by:

- Publication of full information on the Programme at the Managing Authority website;
- Publication of short information on the Programme in brochures and leaflets;
- Generation of annual and final reports for the Commission;
- Implementation of information activities and events including regional and local stakeholders related to project development and implementation;
- Implementation of information activities and events related to management, monitoring and evaluation of the Programme.

**(161)** A Communication Plan will be elaborated providing all interested potential applicants at local or regional level with information on the Programme as well as on the relevant funding instruments.

## 7. Financial Tables

### 7.1 Annual commitment in the programme

Table 13: (162) Annual commitment in the programme (in Euro):

Year	EU contribution for actions within Member State	EU contribution for actions within non Member State
2007	0	871.192
2008	2.466.455	1.488.433
2009	1.700.627	1.626.968
2010	1.734.639	1.659.507
2011	1.769.332	1.692.697
2012	1.804.719	1.726.551
2013	1.840.813	1.761.082
<b>Total 2007-2013</b>	<b>11.316.585</b>	<b>10.826.430</b>

## 7.2 Indicative breakdown by priority and year

Table 13: (163) Priorities by source of funding

PRIORITIES	Greece				Albania				
	EU funding	National funding	Total funding	Rate of Community contribution	EU funding	National funding	Total funding	Rate of Community contribution	
	(a)	(b)	(c)=(a)+(b)	(d) = (a)/(c)	(a)	(b)	(c)=(a)+(b)	(d) = (a)/(c)	
2007	Priority 1				392.036	69.183	461.219	85%	
	Priority 2				392.036	69.183	461.219	85%	
	Priority 3				87.120	15.374	102.493	85%	
	<b>TOTAL</b>				<b>871.192</b>	<b>153.740</b>	<b>1.024.931</b>	<b>85%</b>	
2008	Priority 1	1.109.905	369.968	1.479.873	75%	669.795	118.199	787.994	85%
	Priority 2	1.109.905	369.968	1.479.873	75%	669.795	118.199	787.994	85%
	Priority 3	246.645	82.215	328.860	75%	148.843	26.267	175.110	85%
	<b>TOTAL</b>	<b>2.466.455</b>	<b>822.151</b>	<b>3.288.606</b>	<b>75%</b>	<b>1.488.433</b>	<b>262.665</b>	<b>1.751.098</b>	<b>85%</b>
2009	Priority 1	765.282	255.094	1.020.376	75%	732.136	129.200	861.336	85%
	Priority 2	765.282	255.094	1.020.376	75%	732.136	129.200	861.336	85%
	Priority 3	170.063	56.688	226.751	75%	162.696	28.712	191.408	85%
	<b>TOTAL</b>	<b>1.700.627</b>	<b>566.876</b>	<b>2.267.503</b>	<b>75%</b>	<b>1.626.968</b>	<b>287.112</b>	<b>1.914.080</b>	<b>85%</b>
2010	Priority 1	780.588	260.196	1.040.784	75%	746.778	131.784	878.562	85%
	Priority 2	780.588	260.196	1.040.784	75%	746.778	131.784	878.562	85%
	Priority 3	173.463	57.821	231.284	75%	165.951	29.285	195.236	85%
	<b>TOTAL</b>	<b>1.734.639</b>	<b>578.213</b>	<b>2.312.852</b>	<b>75%</b>	<b>1.659.507</b>	<b>292.853</b>	<b>1.952.360</b>	<b>85%</b>
2011	Priority 1	796.199	265.400	1.061.599	75%	761.714	134.420	896.134	85%
	Priority 2	796.199	265.400	1.061.599	75%	761.714	134.420	896.134	85%
	Priority 3	176.934	58.978	235.912	75%	169.269	29.871	199.141	85%
	<b>TOTAL</b>	<b>1.769.332</b>	<b>589.778</b>	<b>2.359.110</b>	<b>75%</b>	<b>1.692.697</b>	<b>298.711</b>	<b>1.991.409</b>	<b>85%</b>
2012	Priority 1	812.123	270.709	1.082.832	75%	776.948	137.108	914.056	85%
	Priority 2	812.123	270.709	1.082.832	75%	776.948	137.108	914.056	85%
	Priority 3	180.473	60.158	240.631	75%	172.655	30.469	203.124	85%
	<b>TOTAL</b>	<b>1.804.719</b>	<b>601.576</b>	<b>2.406.295</b>	<b>75%</b>	<b>1.726.551</b>	<b>304.685</b>	<b>2.031.236</b>	<b>85%</b>
2013	Priority 1	828.366	276.122	1.104.488	75%	792.487	139.851	932.338	85%
	Priority 2	828.366	276.122	1.104.488	75%	792.487	139.851	932.338	85%
	Priority 3	184.081	61.360	245.441	75%	176.108	31.078	207.186	85%
	<b>TOTAL</b>	<b>1.840.813</b>	<b>613.604</b>	<b>2.454.417</b>	<b>75%</b>	<b>1.761.082</b>	<b>310.780</b>	<b>2.071.862</b>	<b>85%</b>
<b>TOTAL</b>	Priority 1	<b>5.092.463</b>	<b>1.697.489</b>	<b>6.789.952</b>	<b>75%</b>	<b>4.871.894</b>	<b>859.745</b>	<b>5.731.639</b>	<b>85%</b>
	Priority 2	<b>5.092.463</b>	<b>1.697.489</b>	<b>6.789.952</b>	<b>75%</b>	<b>4.871.894</b>	<b>859.745</b>	<b>5.731.639</b>	<b>85%</b>
	Priority 3	<b>1.131.659</b>	<b>377.220</b>	<b>1.508.879</b>	<b>75%</b>	<b>1.082.642</b>	<b>191.056</b>	<b>1.273.698</b>	<b>85%</b>
<b>Grand total</b>	<b>11.316.585</b>	<b>3.772.198</b>	<b>15.088.783</b>	<b>75%</b>	<b>10.826.430</b>	<b>1.910.546</b>	<b>12.736.976</b>	<b>85%</b>	

## **8. Implementing provisions**

### ***8.1. Introduction***

**(164)** The Greece-Albania IPA Cross-Border Programme is going to be implemented under the transitional approach, as agreed by the participating countries having regard to the difficulties met while implementing the "Neighbourhood Programme Greece-Albania" for the Programming Period 2000-2006.

**(165)** Furthermore, for the Albanian side, the implementation of the Assistance under the IPA Regulation is realised according to centralised management, referred to in Article 10 of the IPA Implementing Regulation (EC No 718/2007).

**(166)** The two participating countries in the Programme will try to achieve the maximum of the Programme aims and objectives in order to achieve the transition of the Programme to the shared management system.

### ***8.2. Management and control authorities and bodies***

#### ***MANAGING AUTHORITY***

**(167)** The Managing Authority of the Programme has been designated as:

Managing Authority of CIP INTERREG

Ministry of Economy and Finance

65 Georgikis Scholis Ave, 57001 Thessaloniki, Greece

TEL.: +30 2310 469600, FAX : +30 2310 469602

E-mail: [interreg@mou.gr](mailto:interreg@mou.gr)

**(168)** The Managing Authority shall be responsible for managing and implementing the Programme in accordance with the principle of sound financial management and in particular for:

- ensuring that operations are selected for funding in accordance with the criteria applicable to the Programme and that they comply with applicable Community and national rules for the whole of their implementation period. In particular, the Managing Authority shall:
  - ✓ ensure that beneficiaries are informed of the specific conditions concerning the products or services to be delivered under the operations, the financing plan, the time limit for execution and the financial and other information to be kept and communicated;
  - ✓ satisfy itself that the beneficiary has the capacity to fulfil these conditions before the approval decision is taken;
  - ✓ ensures that the evaluation procedure took place in accordance with the terms of the call for proposals, including the approved criteria for the selection of operations;
- ensuring that there is a system for recording and storing in computerised form accounting records for each operation under the Programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;
- ensuring that the expenditure of each beneficiary participating in an operation has been validated by the designated controllers in each participating country, referred to in Article 108;
- ensuring that the operations are implemented according to the EU and national public procurement legislation for Greece;
- ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- ensuring that the evaluations of the Programme are carried out in accordance with Article 109 of the IPA Implementing Regulation;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are kept available for the Commission and the Court of Auditors for a period of three years following the closure of the Programme;

- ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- guiding the work of the Joint Monitoring Committee and providing it with the documents required to permit the quality of the implementation of the Programme to be monitored in the light of its specific goals;
- submitting to the Commission, after approval by the Joint Monitoring Committee, the annual and final reports on the implementation of the Programme;
- ensuring compliance with the information and publicity requirements of the IPA Implementing Regulation;
- drawing up proposals for the review of the Programme and submitting them to the Joint Monitoring Committee for approval;
- supervising the work of the Joint Technical Secretariat

**(169)** The Managing Authority shall lay down the implementing arrangements for each operation, where appropriate in agreement with the lead beneficiary.

#### ***CERTIFYING AUTHORITY***

**(170)** The Certifying Authority of the Programme has been designated as:

Paying Authority for the CSF, the Community Initiatives and the Cohesion Fund

Ministry of Economy and Finance

Navarhou Nikodimou 11 & Voulis, 105 57 Athens

Tel: 213 - 1500 400, Fax: 213 - 1500 413

e-mail: spa@mnec.gr

**(171)** The Certifying Authority of the Programme shall be responsible in particular for:

- (a) drawing up and submitting to the Commission certified statements of expenditure and applications for payment;



- (b) certifying that:
- ✓ the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
  - ✓ the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;
- (c) ensuring for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;
- (d) taking account for certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;
- (e) maintaining accounting records in computerised form of expenditure declared to the Commission. The Managing Authority and the Audit Authority shall have access to this information. At the written request of the Commission, the Certifying Authority shall provide the Commission with this information, within ten working days of receipt of the request or any other agreed period for the purpose of carrying out documentary and on the spot checks;
- (f) keeping an account of amounts recoverable and of amounts withdrawn for Greek beneficiaries following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the Programme by deducting them from the next statement of expenditure;
- (g) sending to the Commission, by 28 February each year, a statement, identifying the following for each priority axis of the cross-border programme:
- (i) the amounts withdrawn from statements of expenditure submitted during the preceding year following cancellation of all or part of the public contribution for an operation;
  - (ii) the amounts recovered which have been deducted from these statements of expenditure;
  - (iii) a statement of amounts to be recovered as at 31 December of the preceding year classified by the year in which recovery orders were issued

- (h) receiving Community contribution payments that correspond to the Greek beneficiaries' certified expenditure within the Programme from the Commission and making payments to Greek lead beneficiaries as quickly as possible and in full;
- (i) ensuring that any amounts unduly paid are recovered by Greek lead beneficiaries. Greek beneficiaries shall return to the Greek lead beneficiary unduly paid amounts on the basis of the agreement existing between them;
- (j) submitting to the Commission provisional forecasts of likely applications for payment in accordance with article 76(3) of Regulation (EC) No 1083/2006.

### **AUDIT AUTHORITY**

**(172)** The Financial Control Committee (EDEL) at the Ministry of Economy and Finance – Secretariat General for Fiscal Policy (General Accounts of the State) is designated as the Audit Authority for the Programme. The Financial Control Committee consists of seven members and is independent of the Managing and Certifying Authorities.

The Audit Authority of the Programme shall be responsible in particular for:

- (a) ensuring that audits are carried out to verify the effective functioning of the management and control system of the Programme;
- (b) ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- (c) by 31 December each year from the year following the adoption of the Programme to the fourth year following the last budgetary commitment:
  - (i) submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 month period ending on 30 June of the year concerned and reporting any shortcomings found in the systems for the management and control of the Programme. The first report, to be submitted by 31 December of the year following the adoption of the Programme, shall cover the period from 1 January of the year of adoption to 30 June of the year following the adoption of the Programme. The information concerning the audits carried out

after 1 July of the fourth year following the last budgetary commitment shall be included in the final control report supporting the closure declaration. This report shall be based on the systems audits and audits of operations carried out under point (a) and (b);

- (ii) issuing an opinion, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;

When a common system applies to several IPA Cross-Border Programmes, the information referred to in point (i) may be grouped in a single report, and the opinion and declaration issued under point (ii) may cover all the IPA Cross-Border Programmes concerned;

- (d) submitting to the Commission at the latest by 31 December of the year following the last budgetary commitment a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report. This closure declaration shall be based on all the audit work carried out by or under the responsibility of the Audit Authority.

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

**(174)** Where the audits and controls referred to in points (a) and (b) are carried out by a body other than the Audit Authority, the Audit Authority shall ensure that such bodies have the necessary functional independence.

**(175)** If weaknesses in management or control systems or the level of irregular expenditure detected do not allow the provision of an unqualified opinion for the annual opinion referred to in point (c) or in the closure declaration referred to in point (d), the Audit Authority shall give the reasons and estimate the scale of the problem and its financial impact.

### **Group of Auditors**

**(176)** The Audit Authority for the programme shall normally be assisted by a group of auditors comprising a representative of each country participating in the Programme carrying out the duties provided for in Article 105.

**(177)** However, as this programme will be implemented under the transitional arrangements, and the Audit Authority will be responsible only for expenditure within Greece, a Group of Auditors is not required in this case. Nevertheless, such a Group may be established in order to ensure an appropriate exchange of information and good practice between the participating countries.

### **Audits of operations**

**(178)** The audits referred to in Article 105(1)(b) shall be carried out each twelve-month period from 1 July of the year following the adoption of the Programme on a sample of operations selected by a method established or approved by the Audit Authority in agreement with the Commission.

**(179)** The audits shall be carried out on the spot on the basis of documentation and records held by the beneficiary.

**(180)** The participating countries shall ensure the appropriate repartition of those audits over the implementation period.

**(181)** The audits shall verify that the following conditions are fulfilled:

- (a) the operation meets the selection criteria for the Programme and has been implemented in accordance with the approval decision and fulfils any applicable conditions concerning its functionality and use or the objectives to be attained;
- (b) the expenditure declared corresponds to the accounting records and supporting documents held by the beneficiary;
- (c) the expenditure declared by the beneficiary is in compliance with Community and national rules;
- (d) the public contribution has been paid to the beneficiary in accordance with Article 40(9).

**(182)** Where problems detected appear to be systemic in nature and therefore entail a risk for other operations under the Programme, the Audit Authority shall ensure that further examination is carried out, including additional audits where necessary, to establish the scale of such

problems. The necessary preventive and corrective action shall be taken by the relevant authorities.

**(183)** No less than 5% of the total expenditure declared by Greek lead beneficiaries and certified to the Commission in the final statement of expenditure shall be audited before the closure of the Programme.

#### ***JOINT TECHNICAL SECRETARIAT***

**(184)** The Managing Authority, after consultation with the countries participating in the programme, shall set up a Joint Technical Secretariat.

**(185)** The Joint Technical Secretariat (JTS) shall assist the Managing Authority, the Joint Monitoring Committee and the Joint Steering Committee in carrying out their respective duties.

**(186)** The responsibilities of the JTS of the Programme are in particular as follows:

1. Assists the MA in organising the meetings of the Joint Monitoring Committee and the Joint Steering Committee and provides all necessary documents to ensure the quality of the implementation of the Programme in the context of its specific goals by:
  - organising the meetings of the Joint Monitoring Committee and the Joint Steering Committee;
  - preparing all necessary documents and the minutes of the meetings;
  - forwarding to the beneficiaries of the decisions of the Joint Monitoring Committee and the Joint Steering Committee;
  - carrying out various administrative tasks and services;
2. draws up the criteria for selecting the operations and forwards them to the Managing Authority. The Managing Authority examines the criteria and when accepted, it submits them to the EC Delegation in Albania. If approved by the EC Delegation, the Managing Authority submits them to the Joint Monitoring Committee for approval;
3. draws up the standard application form for the call for proposals and forwards it to the Managing Authority. The Managing Authority examines the standard application form for the call for proposals and when accepted, submits it to the EC Delegation. If accepted by the EC Delegation in Albania, the Managing Authority submits it to the Joint Monitoring Committee for approval;

4. prepares the required material for each call for proposals and forwards it to the Managing Authority. The Managing Authority examines the material for the call for proposals and when accepted, submits it to the EC Delegation in Albania, which endorses it. Following the endorsement by the EC Delegation, the Managing Authority launches the call for proposals;
5. supports potential beneficiaries in preparing their project proposals. The JTS organises information seminars, promotes co-operation and stimulates partnership between potential beneficiaries from both sides of the border etc. Furthermore, it may co-operate with the National IPA Coordinator for the organisation of seminars and promotion activities in Albania;
6. assists the Managing Authority and the Joint Steering Committee in order to ensure that operations are selected for funding in accordance with the criteria applicable to the Programme and that they comply with applicable Community and national legislation governing the implementation of the Programme. More specifically, its assistance is analysed in **Section 8.3** (Submission of Proposals and Project Selection);
7. provides technical support to beneficiaries throughout the implementation period of the operations;
8. assists the MA in collecting and recording in computerised form accounting records for all operations. In addition, assists the MA in collecting implementation data required for financial management, monitoring, verification, audit and evaluation;
9. assists the MA in collecting and keeping all documents relating to expenditure and audits, in order to ensure an effective audit trail through:
  - collecting progress reports from beneficiaries
  - assessing the implementation of operations and making recommendations to the MA
  - drafting progress reports concerning the implementation of the Programme
10. prepares annual reports as well as the final report on the Programme and forwards them to the MA. The MA examines the reports and when accepted, submits them to the Joint Monitoring Committee for approval. After approval, the MA submits the reports to the Commission;
11. supports the MA in order to ensure that information and publicity requirements are complied with, by providing the following:
  - creating and regularly updating the Programme's website
  - organising seminars to promote the Programme

- creating a partner search webpage for the benefit of potential beneficiaries
- preparing the communication plan;

12. prepares the Technical Assistance annual plan and forwards it to the MA. The MA examines it and when accepted, submits it to the Joint Monitoring Committee for approval.

**(187)** The functions and the role of the JTS shall be determined, in agreement with the MA and the participating countries, in its rules of procedure.

### ***INTERMEDIATE BODY***

**(188)** Management Organisation Unit (MOU) S.A. can be designated as the Intermediate Body of the Programme in relation to Technical Assistance. The tasks and responsibilities that are going to be delegated to MOU S.A. will be defined in agreement with the participating countries and described in the framework of the Programme's management and control systems.

### ***NATIONAL IPA COORDINATOR***

**(189)** The Ministry of European Integration in Albania is designated as the National IPA Coordinator, who acts as the representative of Albania vis-à-vis the Commission and shall be responsible for co-ordinating the Albanian participation in the Programme.

### ***OPERATING STRUCTURE***

**(190)** The implementation of the Programme will operate through an Operating Structure (OS) that will be appointed in Albania.

**(191)** This is the Ministry of European Integration, which is also the National IPA Coordinator. Within the MEI the Directorate for Institutional Support and Integration Process, Unit for Regional Co-operation coordinates CBC activities under IPA Component II.

**(192)** The OS will co-operate closely in the programming and implementation of the relevant IPA Cross-Border Programmes establishing common coordination mechanisms.

**(193)** The OS is responsible for the implementation of the Programme in Albania.

**(194)** *Responsibilities of the Operating Structure:*

- Participating to the preparation of the Programme in accordance with Article 91;

- Proposing Programme amendments to be discussed by the Joint Monitoring Committee;
- Nominating for Albania the members of the JMC and JSC;
- Participating in the setting up of the Joint Technical Secretariat (JTS);
- Reporting to the respective National IPA Coordinator on all aspects concerning the implementation of the Programme;
- Establishing a system, assisted by the JTS, for gathering reliable information on the Programme's implementation and provide data to the EC Delegation in Albania and the Managing Authority;
- Reporting to the NIPAC/ IPA CBC Coordinator on all aspects concerning the implementation of the Programme;
- Ensuring the quality of the implementation of the Programme together with the Managing Authority and the Joint Monitoring Committee;
- Ensuring the monitoring of commitments and payments at Programme level;
- Ensuring that bodies responsible for the operative management at project level make adequate provisions for financial reporting (monitoring) and sound financial management (control);
- Ensuring an efficient system for internal financial reporting;
- Cooperating with the Joint Technical Secretariat in information and publicity actions;
- Promoting information and publicity-actions;
- The OS shall be represented in the Joint Monitoring Committee

***BODY RESPONSIBLE FOR THE REPORT AND OPINION REFERRED TO IN ARTICLE 116***

**(195)** As stipulated in Article 116 of the IPA Implementing Regulation, the description of the Programme management and control systems shall be accompanied by a report setting out the results of an assessment of the systems set up and an opinion on its compliance with Articles 101 and 105.

**(196)** The report and the opinion referred to above are established by the Audit Authority or by a public or private body functionally independent of the Managing and Certifying Authorities, which shall carry out its work taking account of internationally accepted audit standards.



### **8.3. GENERATION AND SELECTION OF PROJECTS**

#### **PREPARATION AND PUBLICATION OF CALL FOR PROPOSALS**

**(197)** Before any call for proposals is launched, the JTS shall draw up the standard application form as a basis for all the call for proposals and forward them to the Managing Authority. The Managing Authority examines the standard application form and when accepted, submits it to the EC Delegation. If accepted by the EC Delegation in Albania, the Managing Authority submits it to the Joint Monitoring Committee for approval. Thereon, minor modifications of the standard application form are not approved by the JMC, unless the Managing Authority deems it is necessary. The Joint Monitoring Committee will be informed of any such modifications.

**(198)** With respect to each call for proposals the JTS prepares all required material and forwards it to the Managing Authority. The Managing Authority examines the material for the call for proposals and when accepted, submits it to the EC Delegation, which endorses it.

**(199)** Following the endorsement by the EC Delegation, the Managing Authority launches the call for proposals, informing potential beneficiaries about financing, the particular conditions and requirements applicable to their eligibility under the call, the selection procedures and criteria, the main obligations to be undertaken by beneficiaries in case an operation is selected for funding under the Programme etc.

#### **SUBMISSION OF PROPOSALS AND PROJECT SELECTION**

**(200)** As illustrated in Diagram 1, potential beneficiaries prepare a proposal and appoint a Greek Lead Beneficiary as well as an Albanian Lead Beneficiary among themselves [Article 96(2)]. Either the Greek or the Albanian Lead Beneficiary shall act as the "Overall Lead Partner" of the cross-border project. The "Overall Lead Partner" submits the proposal to the Joint Technical Secretariat (JTS).

**(201)** The Joint Technical Secretariat examines the proposals and makes certain that:

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

**(202)** Then the JTS carries out the evaluation of project proposals, based on the selection criteria, approved by the Joint Monitoring Committee. In order to carry out the evaluation procedure, the JTS may be assisted by external experts.

**(203)** The Managing Authority ensures that the evaluation procedure was carried out in accordance with the requirements of the call for proposals and the approved selection criteria.

**(204)** After the MA has accepted the evaluation, submits to the EC Delegation in Albania the ranking list of evaluated project proposals for comments and coordination, providing reasonable time for reaction.

**(205)** Then, the MA submits to the Joint Steering Committee:

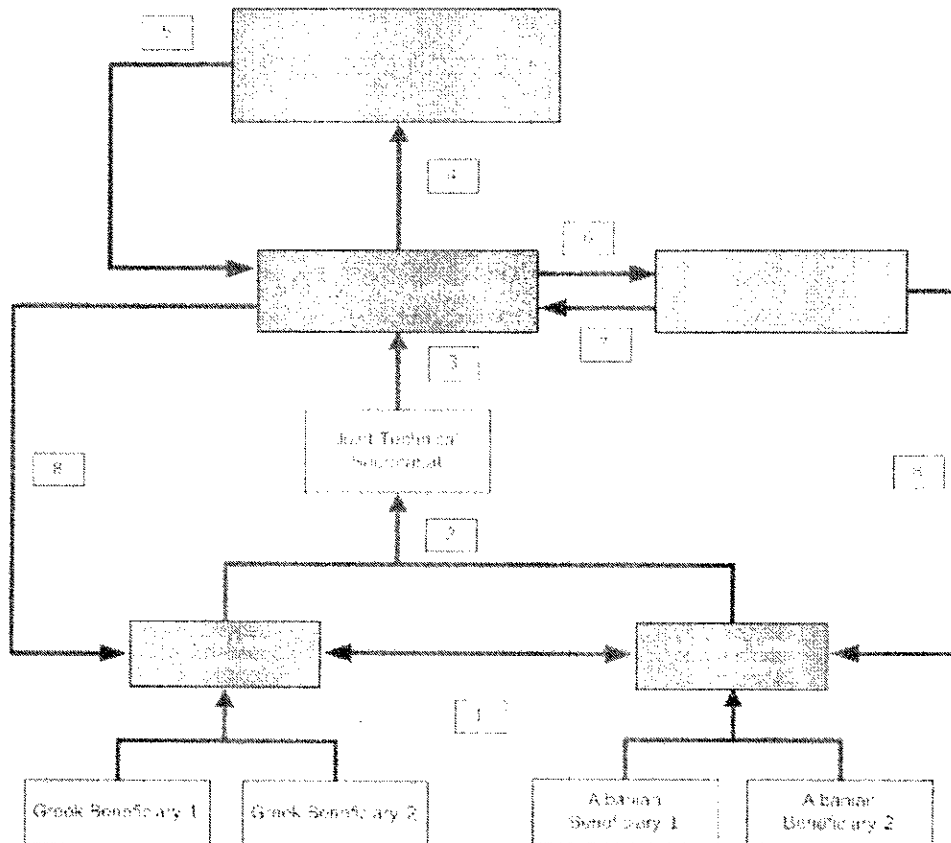
1. the application forms of the submitted project proposals;
2. a ranking list of evaluated project proposals;
3. all evaluation forms.

**(206)** The Joint Steering Committee selects the operations to be funded.

**(207)** After the Joint Steering Committee has selected the operations to be funded, the JTS, in consultation with the MA, establishes Decision – Minutes, including the list of projects to be funded and circulates this Decision to all the members of the Steering Committee. Following this procedure:

1. The Managing Authority shall sign a subsidy contract with the Greek Lead Beneficiaries of operations approved for funding. In case the MA has any reservation concerning efficiency and/or correctness of management, concerning the use of the financial system, regularity of financial operations, control operations, compliance with Community policies, tendering procedure, respect of information and publicity plan obligations, will either suspend the Decision until these aspects are fully clarified with the European Commission or the irregularities removed, or ask for a new Decision in case the issue cannot be clarified;
2. The above Decision of the Joint Steering Committee constitutes the Evaluation Report in context of EU External Aid Rules; therefore, the EC Delegation proceeds with contracting with the Lead Beneficiaries from Albania. In case the EC Delegation has any reservation concerning the contracting of selected operation(s), it informs the MA immediately and either suspends the Decision of the Steering Committee for the particular operation(s) until the problem is clarified/resolved, or, if the issue cannot be clarified/resolved, the MA may ask for a new Decision.

DIAGRAM 1: SUBMISSION, EVALUATION, SELECTION OF PROPOSALS - CONTRACTING



- Step 1: Potential beneficiaries prepare a proposal in close co-operation and appoint a Lead Beneficiary from Greece as well as an Albanian Lead Beneficiary among themselves
- Step 2: Lead Beneficiaries submit the proposal to the Joint Technical Secretariat (JTS)
- Step 3: The JTS checks proposals for: 1) timely submission, 2) completion of required documents and 3) eligibility of beneficiaries. Then, the JTS evaluates the proposals with respect to the approved criteria by the Joint Monitoring Committee (JMC).
- Step 4: Managing Authority (MA) ensures that the evaluation procedure was carried out in accordance with the requirements of the call for proposals and the approved selection criteria.
- Step 5: After the MA has accepted the evaluation, submits to the EC Delegation in Albania the ranking list of evaluated project proposals for comments and coordination, providing reasonable time for reaction. Then, the MA submits to the Joint Steering Committee: 1) the application forms of the submitted project proposals, 2) a ranking list of all evaluated project proposals and 3) all evaluation forms.
- Step 6: The Joint Steering Committee selects the operations for funding.
- Step 7: After the Joint Steering Committee has selected the operations to be funded, the JTS, in consultation with the MA, establishes Decision – Minutes, including the list of projects to be funded and circulates this Decision to all the members of the Steering Committee. Following this procedure: 1.) The Managing Authority shall sign a subsidy contract with the Greek Lead Beneficiaries of operations approved for funding. In case the MA has any reservation concerning efficiency and/or correctness of management, concerning the use of the financial system, regularity of financial operations, control operations, compliance with Community policies, tendering procedure, respect of information and publicity plan obligations, will either suspend the Decision until these aspects are fully clarified with the European Commission or the irregularities removed, or ask for a new Decision in case the issue cannot be clarified; 2.) The above Decision of the Joint Steering Committee constitutes the Evaluation Report in context of EU External Aid Rules; therefore, the EC Delegation proceeds with contracting with the Lead

Beneficiaries from Albania. In case the EC Delegation has any reservation concerning the contracting of selected operation(s), it informs the MA immediately and either suspends the Decision of the Steering Committee for the particular operation(s) until the problem is clarified/resolved, or, if the issue cannot be clarified/resolved, the MA may ask for a new Decision.

### ***JOINT STEERING COMMITTEE***

**(208)** For optimum effectiveness in the selection of projects, the participating countries, through the Joint Monitoring Committee, shall set up a Joint Steering Committee, and shall delegate to that Steering Committee the function of selecting projects to be funded.

**(209)** The Joint Steering Committee shall consist of a limited number of members, designated by each participating country, taking into account the principle of proportionality. Its composition shall be decided by the participating countries, taking into account that the countries are equally represented.

**(210)** The Joint Steering Committee shall set up its own rules of procedure and will submit them for validation to the Joint Monitoring Committee.

**(211)** The Joint Steering Committee shall be chaired by a representative of one of the two participating countries or the Managing Authority, according to its internal rules of procedure.

**(212)** The Commission (including the EC Delegation in Albania) shall participate in the work of the Joint Steering Committee in an advisory capacity.

**(213)** Moreover, specialists or experts on economic, technical, social, scientific and other matters, depending on the agenda items, may be invited to attend the Joint Steering Committee meetings in an advisory capacity.

**(214)** The Joint Technical Secretariat undertakes the secretarial support to the Joint Steering Committee, mainly by organising the meetings, preparing the agenda and keeping the minutes.

**(215)** The Joint Steering Committee shall draw up its rules of procedure within the institutional, legal and financial framework of the country, where the programme Managing Authority is based. It shall adopt them in agreement with the Managing Authority, and the National IPA Coordinator of Albania.

### ***8.4. RESPONSIBILITIES OF THE LEAD BENEFICIARIES AND THE OTHER BENEFICIARIES***

**(216)** The Greek Beneficiaries of an operation shall appoint a Greek Lead Beneficiary among themselves prior to the submission of the proposal for the operation. Equally, the Albanian Beneficiaries of an operation shall appoint an Albanian Lead Beneficiary among themselves prior

to the submission of the proposal for the operation. The Lead Beneficiaries shall sign the relevant grant or subsidy contract with either the Managing Authority (Greek Lead Beneficiary) or the EC Delegation (Albanian Lead Beneficiary).

**(217)** The Lead Beneficiaries of the participating countries participating in an operation shall ensure a close co-ordination of the implementation of the operation. Either the Greek or Albanian Lead Beneficiary shall act as the "Overall Lead Partner" of the cross-border project. This Overall Lead Partner is responsible for reporting on the overall implementation of the cross-border project and for acting as the single representative of the project partnership. This role has no impact on the individual financial responsibilities of the two Lead Beneficiaries, which are governed by the relevant grant and subsidy contracts.

**(218)** Each Lead Beneficiary shall assume the following responsibilities:

- (i) it shall lay down the arrangements for its relations with the beneficiaries participating in the operation in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;
- (ii) it shall be responsible for ensuring the implementation of the operation in the respective participating country;
- (iii) it shall be responsible for transferring the Community contribution to the beneficiaries participating in the operation, of the respective participating country;
- (iv) it shall ensure that the expenditure presented by the beneficiaries participating in the operation has been paid for the purpose of implementing the operation and corresponds to the activities agreed between those beneficiaries;

**(219)** In addition, the Greek Lead Beneficiary shall verify that the expenditure presented by the Greek beneficiaries participating in the operation has been validated by the controllers. If the Greek Lead Beneficiary does not succeed in securing repayment from a beneficiary, Greece shall reimburse the Certifying Authority the amount unduly paid to that beneficiary.

**(220)** Each beneficiary participating in the operation is responsible for irregularities in the expenditure which it has declared.

### **8.5. Certification of expenditure and FINANCIAL FLOWS**

**(221)** Eligibility of expenditure shall comply with Article 89 of Commission Regulation (EC) 718/2007.

#### ***CERTIFICATION OF EXPENDITURE (Greece)***

**(222)** In order to validate the expenditure relating to Greece, Greece shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations or parts of those operations with Community, when relevant, and its national rules.

**(223)** For this purpose, Greece shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation.

**(224)** Greece shall ensure that the expenditure can be validated by the controllers within a period of three months from the date of its submission by the Greek Lead Beneficiary to the controllers.

**(225)** Diagram 2 illustrates the certification of expenditure flow as well as the financial flows for Greek beneficiaries. Each beneficiary shall forward all certified expenditure to the Greek Lead Beneficiary of the operation, which shall forward all certified expenditures of Greek beneficiaries to the Joint Technical Secretariat. The JTS shall conduct a preliminary check (completeness of data and eligibility of declared expenditure) and transmit them together with comments to the Managing Authority. The Managing Authority shall ensure that all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification is available. It shall then transmit them to the Certifying Authority, which is responsible for preparing and submitting to the Commission certified statements of expenditure and applications for payment.

#### ***FINANCIAL FLOWS***

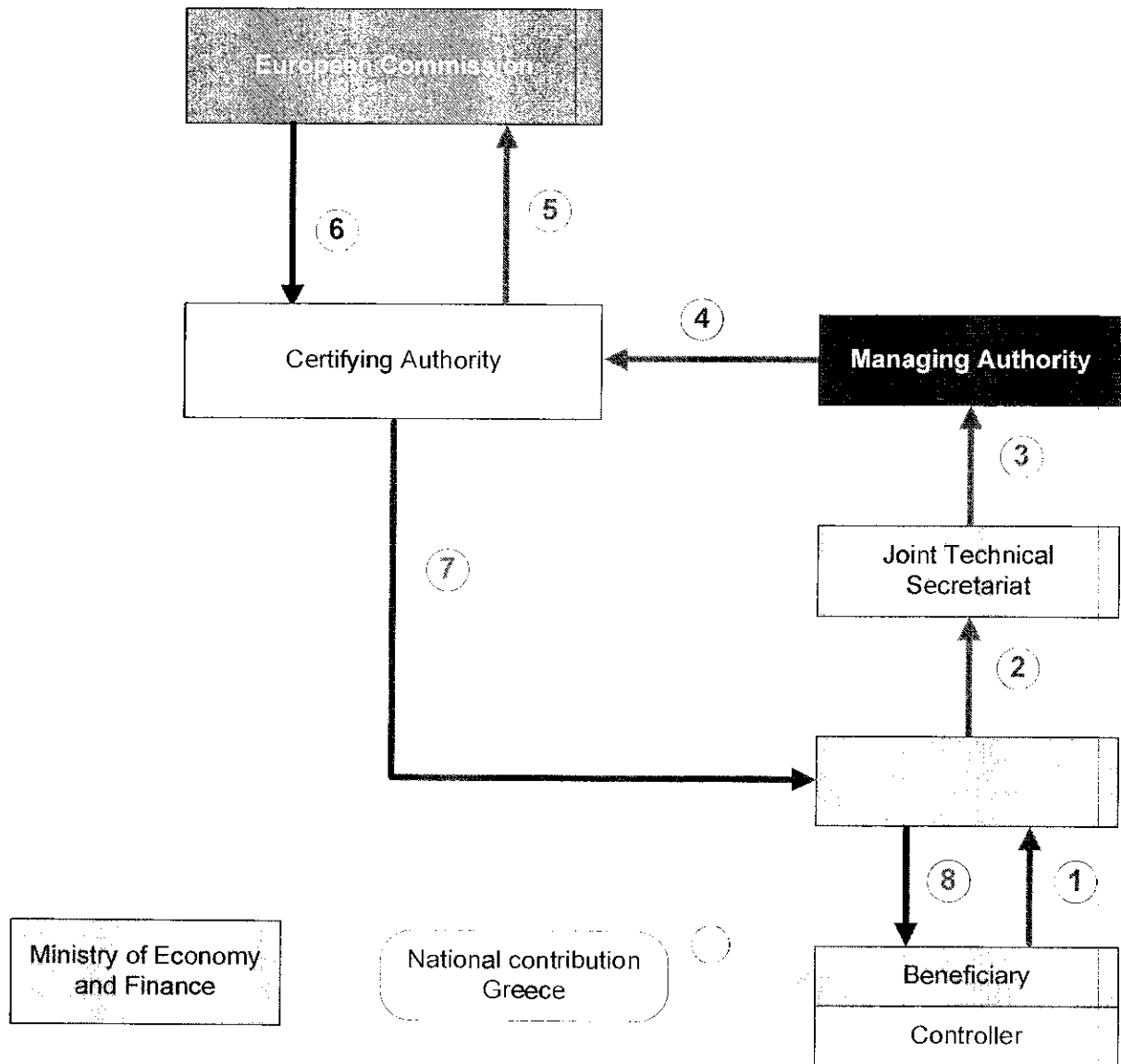
##### **Financial Flows with regard to Greek Beneficiaries**

**(226)** The Certifying Authority shall receive Community contribution payments that correspond to the Greek beneficiaries within the Programme from the Commission and shall transfer them to

the Greek Lead Beneficiaries. The Greek Lead Beneficiary is responsible for distributing the Community contribution to the Greek beneficiaries participating in an operation.

**(227)** The Greek Ministry of Economy and Finance shall transfer the Greek national contribution to the Greek beneficiaries, on the request of the Managing Authority.

**DIAGRAM 2: CERTIFICATION OF EXPENDITURE AND FINANCIAL FLOWS FOR GREEK BENEFICIARIES**







### **Financial Flows with regard to Albanian Beneficiaries**

**(228)** The process of submitting applications for payment for the Lead Beneficiary in Albania will be set out in the relevant grant contract.

**(229)** The Albanian Lead Beneficiary is responsible for distributing the Community contribution to the Albanian beneficiaries participating in an operation.

### ***IRREGULARITIES AND RECOVERY OF AMOUNTS UNDULY PAID (Greece)***

**(230)** Greece shall be responsible for preventing, detecting, correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate for Greek beneficiaries. It shall notify these to the Commission, and keep the Commission informed of the progress of administrative and legal proceedings.

**(231)** Without prejudice to the Greece's responsibility for detecting and correcting irregularities and for recovering amounts unduly paid, the Certifying Authority shall ensure that any amount paid as a result of an irregularity is recovered from the Greek Lead Beneficiaries. The beneficiaries shall repay the Greek Lead Beneficiary the amounts unduly paid in accordance with the agreement existing between them. If the Greek Lead Beneficiary does not succeed in securing repayment from a beneficiary, Greece shall reimburse the Certifying Authority the amount unduly paid to that beneficiary.

## ***8.6. MONITORING***

### ***JOINT MONITORING COMMITTEE***

**(232)** The participating countries shall set up a Joint Monitoring Committee for the Programme within three months from the date of the notification to the participating countries of the decision approving IPA CBC Programme.

**(233)** The composition of the Joint Monitoring Committee of the Programme is decided by the participating countries, taking into account that the two countries should be equally represented and complying with the partnership principle in managing, monitoring and evaluating the



operations in all stages of Programme implementation. The representatives of the participating countries shall come from national, regional and local authorities, as appropriate.

**(234)** The Joint Monitoring Committee shall be chaired by a representative of one of the two participating countries or the Managing Authority according to its internal rules of Procedure.

**(235)** The Commission shall participate in the work of the Joint Monitoring Committee in an advisory capacity.

**(236)** Moreover, specialists or experts on economic, technical, social, scientific and other matters, depending on the agenda items, may be invited to attend the Joint Monitoring Committee meetings in an advisory capacity.

**(237)** The Joint Technical Secretariat undertakes the secretarial support to the Joint Monitoring Committee, including by organising the meetings, preparing the agenda and taking the minutes.

**(238)** The Joint Monitoring Committee shall draw up its rules of procedure, as soon as it is concluded as a body, within the institutional, legal and financial framework of the country, where the programme Managing Authority is based. It shall adopt them in agreement with the Managing Authority, and the National IPA Coordinator of Albania.

**(239)** The Joint Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of the Programme, in accordance with the following provisions:

- it shall consider and approve the criteria for selecting the operations financed by the Programme and approve any revision of those criteria in accordance with programming needs;
- it shall periodically review progress made towards achieving the specific targets of the Programme on the basis of documents submitted by the Managing Authority and the operating structures in Albania;
- it shall examine the results of implementation, particularly achievement of the targets set for each priority axis and the evaluations referred to in Article 57(4) and Article 109 of the IPA Implementing Regulation;
- it shall consider and approve the annual and final reports on implementation;
- it shall be informed of the annual control report, referred to in Article 105 (1)(c) and of the annual audit activity report referred to in Article 29(2)(b) first indent, and of any relevant comments the Commission may make after examining those reports;



- it may propose any revision or examination of the Programme likely to make possible the attainment of the objectives referred to in article 86(2) or to improve its management, including its financial management;
- it shall consider and approve any proposal to amend the content of the Programme;
- it shall approve the standard application forms for the call for proposals. If minor modifications are required within the framework of a call for proposals, re-approval of the application forms by the Joint Monitoring Committee is not mandatory, although it will be informed
- it shall approve the annual budget for the Technical Assistance of the Programme.

### **MONITORING INDICATORS**

**(240)** The targets of the Programme are quantified using a limited number of indicators for output and results, taking into account the proportionality principle.

**(241)** The indicators of the Programme have been developed on the basis of the Commission proposed methodology, developed in the relevant working document for the programming period 2007-2013 "Indicators for Monitoring and Evaluation: A Practical Guide".

**(242)** The choice of indicators for monitoring the attainment of the objectives of the Programme shall meet the particular character of the Programme, its objectives and the prevailing socio-economic and environmental conditions of its geographic implementation area.

**(243)** Data necessary for calculating the indicator values during the implementation of the Programme shall be collected at the level of operation and aggregated at priority axis level and finally at programme level.

**(244)** In the context of regular evaluation of the quality and the effectiveness of the implementation of the Programme, the Managing Authority and the Operating Structures in Albania shall send to the Joint Monitoring Committee data derived from the monitoring systems, mainly summarised financial data and information pertaining to output and result indicators.

**(245)** A Management Information System (MIS) will be used to record information on operations and collect reliable financial and statistical data concerning the implementation of the Programme.



**ANNUAL REPORT AND FINAL REPORT ON IMPLEMENTATION**

**(246)** By 30 June each year at the latest, the Managing Authority shall submit to the Commission an annual report on the implementation of the Programme, approved by the Joint Monitoring Committee. The first annual report shall be submitted in the second year following the adoption of the Programme.

**(247)** The Managing Authority shall submit a final report on the implementation of the Programme by 31 December of the fifth year following the last budgetary commitment at the latest.

**(248)** The reports shall include all information referred to in Article 112(2) of the IPA - Implementing Regulation.

**(249)** In that context, the Managing Authority shall take steps to continually monitor and improve indicators used for monitoring and evaluating the Programme.

**(250)** The operating structures of the Programme and the National IPA Coordinator shall provide all necessary information concerning the annual report and the final report on the implementation of the Programme to the Managing Authority in due time.

**ANNUAL EXAMINATION OF THE PROGRAMME**

**(251)** As stipulated in Article 113 of the IPA Implementing Regulation, every year, when the annual report on implementation is submitted, the Commission and the Managing Authority shall examine the progress made in implementing the Programme, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation.

**(252)** Any aspects of the operation of the management and control system, rose in the last annual control report, may also be examined.

**(253)** Following the examination of the Programme referred to above, the Commission may make comments to the Managing Authority, which shall inform the Joint Monitoring Committee thereof. The participating countries shall inform the Commission of the action taken in response to those comments.





### **8.7 Evaluation**

**(254)** As stipulated in Articles 109 and 141 of the IPA Implementing Regulation, during the programming period, evaluations linked to the monitoring of the Programme in particular where that monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of the Programme (evaluations of an operational nature), are carried out under the responsibility of the Commission. The results of these evaluations shall be sent to the Joint Monitoring Committee.

### **8.8. Information and publicity**

**(255)** The participating countries, the Managing Authority and the National IPA Coordinator shall provide information on operations within the Programme and ensure the required publicity.

**(256)** For the purposes of providing the information referred to above, information and publicity measures, set out in a structured way in the communication plan for the Programme, shall be taken throughout the period of implementation of the Programme. The communication plan shall include the aims and target groups, the strategy and content of the information and publicity measures to be taken in respect of each target group (potential beneficiaries, beneficiaries, the public), the indicative budget for implementation of the plan, the administrative departments or bodies responsible for implementation of the information and publicity measures, an indication of how the information and publicity measures are to be evaluated in terms of visibility and awareness of the Programme and of the role played by the European Union.

**(257)** The information and publicity measures shall make reference to the added value of the Community contribution at national, regional and local levels.

**(258)** The amounts allocated to information and publicity measures shall be included in the financing of the Programme under the technical assistance.

### **8.9. Electronic Exchange of Data**

**(259)** The Managing Authority of the Programme shall update the computer system established by the Commission (SFC 2007) for the exchange of data relating to the part of the Programme concerning Greek beneficiaries, once the system has been modified to deal with IPA Cross-border programmes.



**(260)** The Managing Authority of the Programme in co-operation with the EC Delegation shall also ensure that there is a system for recording and storing in computerised form accounting records for each operation under the Programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected. For that purpose, in the context of the description of Management and Control Systems, a description of the system shall be submitted to the Commission.

**(261)** The existing Management Information System, set up for the requirements of the 3<sup>rd</sup> programming period at the Ministry of Economy and Finance, shall be appropriately customised for that purpose.

**(262)** The Management Information System may also cover the needs of collecting and recording data relating to the functions of the Audit Authority and the Certifying Authority of the Programme and support the authorities concerned with their obligation of electronic data exchange with the Commission.

#### **8.10. Partnership**

**(263)** The objectives of the Funds shall be pursued in the framework of close co-operation, hereinafter referred to as partnership, between the Commission and each participating country and between the participating countries and stakeholders (the competent national, regional and local authorities, the economic and social partners, any other appropriate body representing civil society, environmental partners, non-governmental organisations and bodies responsible for promoting equality between men and women).

**(264)** The partnership shall be protected on all levels of implementation of the Programme through:

- (i) the application of broad consultation procedures at all levels of planning with a view to shaping a multifaceted approach to alternative solutions to the development of the eligible regions via a productive and effective dialogue with the bodies involved.
- (ii) the active involvement of partners, especially at regional level, at various stages of the programming procedures
- (iii) the proportional representation of partners on the composition of the Joint Monitoring Committee for the Programme, which is the key mechanism to ensure the quality and the



effectiveness of the Programme, and on which all bodies with an interest in the targets and actions of the Programme are being represented.

**8.11. Promoting equality between men and women and ensuring the principle of non-discrimination**

**(265)** The countries participating in the Programme and the Commission shall ensure that equality between men and women and the integration of the gender perspective is promoted during the various stages of implementation of the Funds.

**(266)** The participating countries and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of implementation of the Funds and, in particular, in the access to them. In particular, accessibility for disabled persons shall be one of the criteria to be observed in defining operations co-financed by the Funds and to be taken into account during the various stages of implementation.

**(267)** Measures to be taken to promote gender equality and prevent discrimination during the various stages of the implementation of the Programme shall include:

- (i) taking appropriate steps to publicise the programme and the specific operations included in it in order to ensure the best possible and wider access to Community co-financing. Such measures shall include, inter alia, the sending of calls to all members of the Joint Monitoring Committee for the Programme and also to all stakeholders, who can ensure a broader dissemination of funding opportunities and the special conditions and requirements for receiving it.
- (ii) the follow up and the provision of relevant information to the Joint Monitoring Committee for the Programme and the Commission through the annual report in respect of the measures taken in support of creating equal opportunities under the Programme, their effectiveness and corrective actions required to ensure non-discrimination.



## Annex

Table 14: NATURA 2000 sites in the Greek eligible border area

	SITECODE	CATEGORY	SITE_NAME	AREA (ha)
			<b>WEST MACEDONIA</b>	
			<b>Grevena</b>	
73	GR1310001	SCI	VASILITSA	8012,77
74	GR1310002	SPA	ETHNIKOS DRYMOS PINDOU	3294,00
75	GR1310003	SCI	ETHNIKOS DRYMOS PINDOU (VALIA KALDA) - EVRYTERI PERIOCHI	6838,25
			<b>Kastoria</b>	
76	GR1320001	SCI	LIMNI KASTORIAS	4732,50
77	GR1320002	SCI/SPA	KORYFES OROUS GRAMMOS	34469,96
78	GR1320003	SPA	LIMNI ORESTIAS (KASTORIAS)	3846,00
			<b>Florina</b>	
80	GR1340001	SCI/SPA	ETHNIKOS DRYMOS PRESPON	26621,72
81	GR1340003	SCI/SPA	ORI VARNOUNTA	6071,16
82	GR1340004	SCI	LIMNES VEGORITIDA-PETRON	12569,02
83	GR1340005	SCI/SPA	LIMNES CHIMADITIDA-ZAZARI	4064,39
84	GR1340006	SCI	OROS VERNON-KORYFI VITSI	8202,13
85	GR1340007	SPA	LIMNI PETRON	6699,00
			<b>IPIROS</b>	
			<b>Thesprotia</b>	
111	GR2120001	SCI	EKVOLES (DELTA) KALAMA	8531,68
112	GR2120002	SCI	ELOS KALODIKIOY	786,78
113	GR2120003	SCI	LIMNI LIMNOPOULA	579,50
114	GR2120004	SCI	STENA KALAMA	1820,30
115	GR2120005	SPA	YGROTOPOS EKVOLON KALAMA KAI NISOS PRASOUDI	8614,00
116	GR2120006	SPA	ELI KALODIKI, MARGARITI, KARTERI & LIMNI PRONTANI	1806,00
117	GR2120007	SPA	STENA PARAKALAMOU	3483,00
118	GR2120008	SPA	ORI PARAMYTHIAS, STENA KALAMA KAI STENA ACHERONTA	11692,00
119	GR2120009	SPA	ORI TSAMANTA, FILIATRON, FARMAKOVOUNI, MEGALI RACHI	19906,00
			<b>Ioannina</b>	
120	GR2130001	SCI	ETHNIKOS DRYMOS VIKOU-AOOU	12794,25





	SITECODE	CATEGORY	SITE_NAME	AREA (ha)
121	GR2130002	SCI/SPA	KORYFES OROUS SMOLIKA	19975,72
122	GR2130004	SCI	KENTRIKO TMIMA ZAGORIOU	33114,95
123	GR2130005	SCI/SPA	LIMNI IOANNINON	2690,13
124	GR2130006	SCI	PERIOCHI METSOVOU (ANILIO-KATARA)	7328,82
125	GR2130007	SCI/SPA	OROS LAKMOS (PERISTERI)	20123,52
126	GR2130008	SCI/SPA	OROS MITSIKELI	8435,99
127	GR2130009	SPA	OROS TYMFI (GAMILA)	27416,00
128	GR2130010	SPA	OROS DOUSKON, ORAIOKASTRO, DASOS MEROPIS, KOILADA GORMOU, LIMNI DELVINAKIOU	17383,00
			<b>IONIAN ISLANDS</b>	
			<b>KERKIRA</b>	
140	GR2230001	SCI/SPA	LIMNOTHALASSA ANTINIOTI (KERKYRA)	189,69
141	GR2230002	SCI	LIMNOTHALASSA KORISSION (KERKYRA)	2357,03
142	GR2230003	SCI/SPA	ALYKI LEFKIMIS (KERKYRA)	242,96
143	GR2230004	SCI	NISOI PAXI KAI ANTIPAXI	5649,66
144	GR2230005	SCI	PARAKTIA THALASSIA ZONI APO KANONI EOS MESONGI (KERKYRA)	884,14
145	GR2230007	SPA	LIMNOTHALASSA KORISSION (KERKYRA) & NISOS LAGOYDIA	1060,00

