

# **CROSS-BORDER ORIENTATION PAPER**

## **for IPA CBC cooperation programmes with participation of Italian regions, Albania and Montenegro**



### **PLEASE NOTE**

This paper only gives orientations and should not be considered as a mandate for the forthcoming programming negotiations

## Executive Summary

This Orientation Paper is a document of the European Commission (EC) aimed at launching a discussion on the **2021-2027 IPA CBC cooperation programmes with the participation of Italian regions, Albania and Montenegro**. It is the result of collective work led by REGIO D.1 with the support of the other REGIO services as well as other line DGs (in particular DG NEAR), the EEAS and the EU delegations in the region. It does not represent the negotiating position of the EC, but is destined to provide ideas, options and orientations on the thematic focus of the future programme.

The guiding principles for drawing this Orientation Paper are the following:

- The **Functional Area** principle: the definition of a functional area is a key element for cooperation in larger regions. Cooperation should concentrate on areas defined by joint characteristics, challenges and development opportunities, and the need and potential to address them jointly with the aim of delivering tangible results. Structural interventions should therefore not be strictly limited to the administrative borders of the programme. Depending on the topic, the geography can vary. For some topics, the solution can be found if partners outside the programme area are involved, while for some other topics the solution can be very local. What matters is that the projects can benefit to the cross-border area. This new approach proposed in the post-2020 regulations has the benefit of enabling more efficient interventions based on the experiences of a wider range of partners.
- The **Thematic Concentration** principle: In view of the limited budgetary resources and the requirement to focus support in areas where European Union (EU) funds can achieve the highest benefit, the programme should concentrate on thematic key areas where joint actions can have the biggest impact. In doing so, EU funds would focus on a limited set of objectives and policy areas, thus achieving the highest possible impact, in terms of efficiency of funding and result orientation (art. 15 of the Regulation COM(2018) 374, referred to as the Regulation)<sup>1</sup>.
- Coherence with **Macro-Regional Strategies**: Macro-regional strategies have become an integral part of EU regional policy. The future IPA CBC cooperation programmes with the participation of Italian regions, Albania and Montenegro are destined to closely link to the

---

<sup>1</sup> Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments - COM(2018) 374.

European Strategy for the Adriatic and Ionian Region (EUSAIR). Macro-Regional Strategies such as the EUSAIR mean an integrated framework endorsed by the European Council, which may be supported by the Cohesion Policy funds among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same region, which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion. The 2021-2027 Interreg programmes should be ready –where relevant- to support actions arising from the macro-regional strategies, provided that these actions also contribute to the specific objectives of the programme area. The coordination between programmes and macro-regional strategies can ensure bigger territorial impact and better visibility. This, however, requires a good and proactive coordination. Projects serving both the macro-regional strategies and the cross-border cooperation can be funded either as “group of projects”, complementing each other and creating synergies, as well as “single projects”. In order to promote macro-regional strategies the programme may consider one of these mechanisms: specific selection criteria (ex. bonus points if the project contributes to a macro-regional strategy); earmarking of a budget or specific calls.

This IPA Orientation Paper was also designed to support the new strategic orientations (in particular as regards the implementation of the six Flagship Initiatives) presented in the Communication of the February 2018 Western Balkan Strategy where the European Commission reaffirmed the firm, merit-based prospect of EU membership for the Western Balkans (A credible enlargement perspective for and enhanced EU engagement with the Western Balkans-COM(2018) 65 final).

Considering the external pressures on the EU budget and the EC’s desire to find ways to gain in effectiveness and efficiency, this Orientation Paper will aim at:

- a) Consolidating genuine cooperation both on the levels of the programme governance (programme bodies) and the local cooperation;
- b) Re-enforcing the strategic dimension of the future programmes by linking them more strongly with existing strategic frameworks and political initiatives such as the macroregional strategies and applying top-down approach for a part of their envelopes (though strategic/thematic/flagship projects);
- c) Fostering cooperation among ETC programmes in the Adriatic and Ionian basin to facilitate the achievement of the objectives of the EUSAIR;
- d) Refocusing on functional areas avoiding duplication, fragmentation and overlapping with transnational programmes (Adriatic-Ionian programme, Danube programme and BalkanMediterranean programme) and IPA-IPA CBC programmes (Montenegro-Albania) etc - this is how we will increase programmes effectiveness.
- e) Supporting institutional cooperation through two new horizontal Interreg specific objectives ‘a better Interreg governance’ and ‘a safer and more secure European Union’ and encouraging more extensive and structured ways to develop a common vision for the cross-border region, possibly using public participation tools and practices (citizens’ consultations, town hall meetings, competitions, etc).
- f) Exploring the use of simple financial instruments with a grant component to make them sufficiently attractive and manageable while taking into account the local constraints and providing related procurement assistance.

- g) Exploring the possibility of establishing joint territorial instruments adapted to the characteristics of the maritime border region, especially with a view to tackling specific situations
- h) Putting in place mechanisms to finance small projects or people-to-people projects that make a strong contribution to the social and civil cohesion of the cross-border region.

These objectives comply with EU priorities.

---

## A Table of Contents

INTRODUCTION.....	6
<b>B TERRITORIAL DIMENSION .....</b>	<b>8</b>
<b>C ANALYSIS OF THE BORDER AREAS AND MAIN CHALLENGES .....</b>	<b>9</b>
<b>D ORIENTATIONS LINKED TO CHALLENGES .....</b>	<b>11</b>
<b>D.1 PO1: A smarter Europe by promoting innovative and smart economic transformation .....</b>	<b>11 D.2</b>
<b>PO2: A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaption and risk prevention and management .....</b>	<b>13 D.3</b>
<b>PO3: A more connected Europe by enhancing mobility and regional ICT connectivity .....</b>	<b>16 D.4.</b>
<b>PO4: A more social Europe implementing the European Pillar of Social rights .....</b>	<b>17 D.5</b>
<b>PO5: A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives .....</b>	<b>18</b>
<b>D. 6 ISO2: A safer and more secure Europe .....</b>	<b>20</b>
<b>E. GOVERNANCE .....</b>	<b>21</b>
<b>E.1 Cross-Border Governance in a wider context ( and use of the new “Interreg Governance” specific objective. ....</b>	<b>21</b>
<i>E.1.1 Working on border obstacles and potential .....</i>	<i>21</i>
<i>E.1.2. The use of financial instruments (FIs) .....</i>	<i>22</i>
<i>E.1.3. Contribution to the EU Strategy for the Adriatic and Ionian Region (EUSAIR) .....</i>	<i>23</i>
<i>E.1.4. Links with other existing strategies .....</i>	<i>24</i>
<i>E.1.5. Role of existing cross-border organisations .....</i>	<i>24</i>
<i>E.1.6. Links with Cohesion Policy and External Relation policy programmes .....</i>	<i>25</i>
<i>E.1.7. Cross-border data .....</i>	<i>26</i>
<b>E.2. Governance of the Interreg programmes .....</b>	<b>26</b>
<i>E.2.1. Operational performance .....</i>	<i>26</i>
<i>E.2.2. Partnership principle .....</i>	<i>27</i>

E.2.3. Role of the monitoring committee .....	27
E.2.4. Role of the managing authority (MA) .....	28
E.2.5. Role of the Joint Secretariat (JS).....	28
E.2.6. Functional areas .....	28
E.2.7. Trust-building measures.....	29
E.2.8. Conflict of interest .....	30
E.2.9. Communication and publicity .....	30
Conclusions .....	31

## A INTRODUCTION

---

1. The objective of this paper is to support the programming process of the 2021-2027 period for the IPA-CBC cooperation programme in the maritime cross-border area between Italy (Puglia and Molise), Albania and Montenegro.
2. The concerned territories are marked by longstanding cooperation at different levels, including municipality, university cooperation, civil society, ports, etc. The newly set up IPA-CBC Italy, Albania, Montenegro programme has the merit to strengthen relations between the two sides of the shore, by fostering cooperation on concrete projects that at once raise the capacities of the administrations and stakeholders involved and bring real benefits to the territories.
3. The Cooperation Programme contributes to the sustainable development of the territories involved, to enhance the exchanges between the two shores and to improve the management capacities of EU funds of IPA countries involved while helping them to advance in the European Union accession process.
4. This document sets out key characteristics of the cross-border region and outlines options and orientations for the programming of the 2021-2027 period. It can serve as a basis for discussion between partner states, programme authorities and the European Commission. It also can provide point of reference for the Task Force that is planning the forthcoming cooperation programme.
5. The paper is based on the SWOT analysis of the previous programmes, the lessons learned, evaluations of the previous periods as well recommendations from a dedicated study 'Border needs study' and other relevant documents/data/studies available (OECD, JRC, Eurostat, DG specific studies). The paper also draws on the recommendations from the European Semester report<sup>2</sup>. However, it should be emphasised that the amount of data available at NUTS 3 level is much more limited for Albania and Montenegro than it is for EU Member States. In that context, the data provided by the socio-economic analysis and public consultations to be carried out by

---

<sup>2</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-italy\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-italy_en.pdf)

the national authorities will be extremely important to complete analysis of the border areas and their main challenges

6. Account has also been taken of IPA mainstream, IPA-IPA cross border, national, regional and other Interreg programmes of the areas concerned.
7. The cooperation area falls, for its entirety, within the “EU Strategy for the Adriatic and Ionian Region” (EUSAIR) , therefore, priorities should be taken into account and cooperation with its governing bodies should be sought (see para E.1.4). The impact of the cooperation programme should be seen as well in the light of the contribution it might give to reaching the objectives of the strategy both for the maritime border area concerned and to the whole Adriatic and Ionian basin, by seeking coordination with other existing Interreg programmes and mainstream (ERDF and IPA) programmes in the region.

<p>The EUSAIR focusses on the following policy areas (Pillars):</p> <p><b>Blue Growth:</b> Blue technologies; Fisheries and aquaculture; Maritime and marine governance and services</p> <p><b>Connecting the region:</b> Maritime transport; Intermodal connections to the hinterland; Energy networks</p> <p><b>Environmental quality:</b> The marine environment; Transnational terrestrial habitats and biodiversity</p> <p><b>Sustainable tourism:</b> Diversified tourism offer (products and services); Sustainable and responsible tourism management (innovation and quality)</p>
--

8. This paper also considers the strategic framework for EU relations with IPA countries. This concerns the conclusions of the Western Balkans Summit in Poznan (July 2019), the 2019 Communication on EU Enlargement Policy, the measures in support of a Digital Agenda for the Western Balkans and the Sofia declaration of May 2018. Therefore, the design of the new Interreg IPA CBC programmes should refer to these activities
9. The paper proposes orientations for all five Priority Objectives (POs) that will drive investment in the 2021-2027 programming period. Nevertheless, there is a need to find the right balance between the (potential) wide range of actions envisaged and the need for thematic concentration to increase the impact of available funds.
10. Cross-border cooperation is much broader than Interreg programmes. The instruments available are not only funds, but also European and national legal instruments (European Grouping for Territorial Cooperation – EGTC – regional agreements bi-lateral agreements, etc) as well as a number of policies. Interreg programmes should therefore not only aim to fund projects but also seek to reduce cross-border obstacles. To do so, the legislative proposal on Interreg includes a specific objective dedicated to cross-border governance (including capacity building and contribution to the macro-regional/ sea-basin strategies). That is why this paper goes beyond the traditional activities of Interreg programmes (funding projects) and also covers governance issues (reducing cross-border obstacles).

11. Cross border cooperation with IPA countries contributes as well to the enlargement process of the countries involved increasing the capacities of their administrations and contributing to the alignment with the EU policies. All activities performed in the framework of IPA-CBC programmes should be in line with the EU Strategy for the Western Balkans<sup>3</sup>.
12. And when it comes to cross-border cooperation activities financed by the EU via the IPA-Interreg programmes, cooperation is also in its infancy compared to other parts of the EU. The level of interaction and population flows cannot be compared with that in more integrated border regions in Western Europe – a combination of limited physical access and historical isolation means that cooperation levels start from a relatively low base.
13. This orientation Paper was consulted with other relevant EC services and the EEAS.

**B TERRITORIAL DIMENSION** Italy- Albania- Montenegro (as proposed in the previous period)



14. The proposed cross border area is identical to the one of the previous Programming Period 2014-2020. This region covers an area of 66.562 km<sup>2</sup> (24.002 km<sup>2</sup> for Italy, 28.748 km<sup>2</sup> for Albania and 13.812 for Montenegro). This cross-border area includes Molise and Puglia regions for Italy and the whole territory of Albania and Montenegro
15. The main urban areas are the cities of Bari, Taranto, Foggia, Podgorica, Tirana, Durrës, Fier and Schoder while there is also a high population concentration in Campobasso, Lecce, Brindisi, Niksic, Valona and Elbasan. Unemployment is a challenge in all countries, which leads to high rates of migration.

<sup>3</sup> A Credible enlargement perspective for and enhanced EU engagement with the Western Balkans, COM(2018) 65 final

16. In terms of geomorphological characteristics, the cross border area is mainly characterized by a) the extensive coastal area, b) extensive plains in Puglia c) the extensive mountain areas in Montenegro, Albania and Molise.
17. The important geopolitical position of this area must be highlighted, in particular due to the EUSAIR and the TAP (Trans Adriatic Pipeline) natural gas pipeline project.

## C ANALYSIS OF THE BORDER AREAS AND MAIN CHALLENGES

### Main challenges and obstacles:

18. The common sea in the border region is a crucial element to take into consideration. Cooperation is influenced by the presence of the sea, which makes joint operations different from land border ones. The sea itself is an obstacle to the daily movement of people and goods, nonetheless, common challenges and opportunities make cooperation in this area unavoidable.
19. The border region shares similar challenges, but also differences in the level of development in terms of economy, infrastructures, innovation, etc., between the Italian regions and the two enlargement countries. This makes exchange of best practices, experiences and joint operations crucial for helping regions that are lagging behind to catch up with more developed ones.
20. Even though the sea is the dominant element, the cooperation area combines a wide variety of geomorphological features: high mountains, rolling hills, valleys and plains, a long coastal line, rivers, lakes and lagoons. The climate of the area is influenced by the diverse relief and ranges from Mediterranean in the coastal zones to mountainous in the hinterland. Due to the geographic location and the difficult geomorphological characteristics, the hinterland of the cross-border area in the eastern countries is characterized by low quality and density of infrastructure.
21. In this context, the following obstacles for cooperation have been identified:
  - The sea itself as a **long maritime border** represents an obstacle and prevents easy travel and exchange between the programme areas. There is scope to improve maritime transports and its connection with the hinterland.
  - High fragmentation of the programme area, strong disparities between **growing urban poles and declining peripheral areas**
  - Coastal areas represent high level of attractiveness with very important concentration of human activities and fragility of natural and cultural resources. In rural and low populated areas tourism and agriculture are essential economic activities which are threatened by **demographic change and climate change effects**
  - Even though the **economy** in Albania and Montenegro is constantly growing, it still lags behind the rest of Europe. SMEs, business support organizations and research centres do not cooperate enough.
  - There is little progress in Albania and Montenegro in the field of **renewable energy sources and energy efficiency**.
  - The level of **investment in research and innovation** is from average to low. In the global innovation index 2019 Italy ranks 30<sup>th</sup>, Montenegro 45<sup>th</sup> and Albania 83<sup>rd</sup>.
  - Despite the numerous and **rich natural and cultural resources**, there is lack of a joint management plan for the development of tourism.

- **Unemployment** is over the EU average in the whole CBC area (from 12% of Albania to 16% of Region Puglia).

High relevance of the Policy Objectives for 2021-2027:

22. In the 2014-2020 Programming period a IPA CBC Programme has been implemented with the participation of Italian regions (Puglia and Molise) and the whole territory of Albania and Montenegro. The trilateral Italy-AlbaniaMontenegro cooperation programme is a new set up for cooperation under IPACBC in this period. In the past, the three countries cooperated in the larger context of the Adriatic IPA CBC (2007-2013). In the current period, the programme focuses on competitiveness of SMEs, Tourism, Culture, Environment, Energy and Sustainable Transport. For the preparation of the post2020 IPA BOPs, interviews were carried out with the staff of the JSs. Their outcome evidenced a high interest for the PO1, PO2 and PO3. Concerning PO5, its apparent low relevance is explained by the difficulties of the implementing bodies to understand the rationale of PO5 and its potential:

<i>Classification grid<sup>4</sup></i>	<b>PO1 smarter Europe</b>	<b>PO2 greener low-carbon Europe</b>	<b>PO3 a more connected Europe</b>	<b>PO4 a more social Europe</b>	<b>PO5 a Europe closer to citizens</b>
<b>Italy – Albania Montenegro</b>	+++	+++	+++		+

23. The interviews also demonstrated that the two Interreg specific objectives ‘a better Interreg governance’ and ‘a safer and more secure Europe’ were highly relevant:

	<b>‘a better Interreg governance’</b>	<b>‘a safer and more secure Europe’</b>	<b>‘building up mutual trust’</b>
<b>Italy-AlbaniaMontenegro</b>	+++	+++	+++

<sup>4</sup> Based on the expert’s report, these two programmes have been characterised against the five Interreg policy objectives and the two Interreg specific objectives. The classification was provided as follows; the “+” means generic relevance with limited support potential, “++” means strong relevance but limited support potential due to insufficient financial possibilities and missing relevant Priority Axis/Specific Objective in the 2014.

## D ORIENTATIONS LINKED TO CHALLENGES

---

24. Orientations are structured in view of the proposed objectives for Cohesion Policy (PO 1 to 5, cf. Art. 4 (1) CPR):
- a. PO1: A smarter Europe by promoting innovative and smart economic transformation
  - b. PO2: A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaption and risk prevention and management
  - c. PO3: A more connected Europe by enhancing mobility and regional ICT connectivity
  - d. PO4: A more social Europe implementing the European Pillar of Social rights
  - e. PO5: A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives
25. In addition, there are two Interreg-specific objectives (ISO), cf. Art. 14 (4) and (5) ETCR:
- a. ISO1: A better Interreg governance
  - b. ISO2: A safer and more secure Europe

### **D.1 PO1: A smarter Europe by promoting innovative and smart economic transformation**

26. For sustainable and inclusive growth “size matters” along with quality standards, as non-inclusive growth undermines sustainable development.
27. Within this framework, territorial disparities are a stimulus for cooperation, as opposite trends can create development dynamics. Cross border cooperation partnerships can provide a powerful platform for networking, technology transfer and exchange, not only focus on new technologies, but in a wider pool of topics featuring local expertise.
28. Smart specialisation strategies developed by EU member states and regions are an expression of sound innovation policies and as such are of interest not only to EU member states, but also to non-EU countries willing to improve their innovation ecosystems. The support provided should enable local stakeholders to gain the competences needed for continuing strategy design and implementation in the future in view of cross-border projects in innovation.
29. Bearing also in mind that SMEs and microenterprises in particular hold an important role in the countries, cooperation opportunities have to address on competitiveness’ policy gaps and contribute to quality growth perspectives.

30. Besides of an important services sector, Albania still registers key agriculture activity and can be a formidable testing bed through cooperation, not just for sustainable growth but also for innovation. Industry, includes both extractive industries and manufacturing. Tourism holds a significant growth potential in the Albanian economy, which is growing steadily. The fisheries sector in Albania is relatively small, but important from a socio-economic point of view being a significant source of jobs in coastal and remote areas.
31. The economic activity in Montenegro is also predominantly services-based. Manufacturing and industry all together account for about 18% of the employees, 8% are employed in agriculture, forestry and fisheries. Less than 300 workers were employed in fisheries in 2013<sup>5</sup>, showing that there is a huge unexploited potential in this sector.
32. Both in Puglia and Molise, employment is concentrated on services (including the public administration). Nonetheless, agriculture is much more important in the economic terms in Puglia than in the rest of the country. Puglia is an export leader of wheat, olive oil and tomato. Employment in agriculture is above the national average (8.5% vs. 3.6% in 2017). Molise is characterised by a prevalence of SMEs and a few large enterprises located on the coast. The main areas of specialisation include automotive, mechanics, textiles and clothing, and agri-food. Fisheries is a very important sector for Puglia which has the most extended coastline in continental Italy and a significant fleet as well as a developing aquaculture sector.

#### **ORIENTATIONS**

*The current conditions for cross border innovation are challenging. However, there is potential to improve the framework conditions for innovation by promoting linkages between research institutions and innovative businesses in the cross border area. These linkages need to be re-enforced through complementary projects dedicated to innovation in the 3 countries in full with cross-border projects. Moreover, pilot projects could be supported at the early preparatory phases of the development of research and innovation strategies for smart specialisation in the region.*

*Experiences and exchange of good practices of the Smart Specialization Strategy of Region Puglia, notably on the innovation area of “Health and Environment” including green and blue economy, agrofood and tourism, might provide insights for the development of innovation ecosystems in the whole cross-border region.*

*Investments could be further promoted in:*

- *The **enhancement of links, networks and clusters** between area businesses active in various fields, with particular focus on maritime issues and in line with the objectives of the EUSAIR (possibly in cooperation with other existing maritime ETC programmes in the Adriatic-Ionian Region) by: activating RDI platforms on green sea mobility, deep sea resources, biosecurity, bio-technologies, seafood; supporting the establishment of transboundary clusters on promising sectors such as green shipbuilding and new materials; promoting “brain circulation” amongst research institutes/academies and companies as a condition for developing cooperation in the field of blue technologies.*

<sup>5</sup> FISHERIES STRATEGY OF MONTENEGRO 2015-2020 WITH AN ACTION PLAN (for transposition, implementation and enforcement of EU acquis), Podgorica, June 2015.

- *The provision of **support to local SMEs**, taking into account also the activities under the Enterprise Europe Network, to face challenges related to their size, limited resources (such as skills and finance) or industry and market conditions, including within supply chains and with larger enterprises. This could take the form of voucher schemes to purchase cross-border business advice. The use of financial instruments may be considered to facilitate the access of SMEs to finance, with generic support in the form of grants only used if justified and avoiding competition with the repayable forms of support / ensuring that it does not crowd out FI support.*
- *The promotion of **entrepreneurship education** taking into account also the activities under the European Institute of Innovation and Technology to develop competencies needed for successful startup and growth of enterprises particularly those connected to sea cooperation (i.e. training programmes for fishermen and aquaculture farmers on innovative fishing and aquaculture techniques and safety at work)*
- *The establishment of **knowledge flows and links** among active scientists in the area with associations of local entrepreneurs through clustering and networking actions.*

## **D.2 PO2: A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaption and risk prevention and management**

33. The Programme Area faces many environmental threats such as climate change impacts, the need to reduce CO<sub>2</sub> (carbon dioxide), PM (particulate matters) and NO<sub>x</sub> (nitrogen oxides) and formation of ozone, and degradation of the environment.
34. Overall the region is characterized by medium level of per capita emissions with a contrast between Italy (at appr. 6.5 teq) and Montenegro at approximately half that level. Albania is distinctively lower at 1,5 teq per capita, as a result of the low motorization and the high share of electricity from Renewable Energy Sources (RES).
35. Albania lacks a comprehensive country-wide climate policy and strategy. The country regularly associated itself with EU positions in the international context, but has not yet put forward a mitigation commitment by 2020. Montenegro has ratified the Kyoto Protocol.
36. The major cause of air pollution problems in the programme area are industrial activities, the construction sector, uncontrolled combustion of the waste at the landfills and transport mainly through increased traffic and the bad quality of fuel used. Cargo and cruise shipping are a major source of pollution in the cooperation area. The main challenge would be to promote sustainable mobility both on road and at sea.
37. Many parts of the Programme Area present a relatively high exposure to risks of natural and human causes compared to national and EU average (landslide, seismic, hydraulic and hydrogeological risks, soil desertification, erosion and fires, stress from urban and tourism development, or industrial pollution).
38. Fighting climate change has become an integral part of energy policy. The main climate change mitigation challenges are linked to low carbon and energy efficiency, the

regionally varying renewable energy potential, the rising per capita energy demand, the high dependency on road transport, etc. As the programme territories are particularly vulnerable to climate change, they need to capitalize on the trend towards energy efficiency management through for instance, offshore wind farms, to replace energy production based on fossil fuels.

39. Energy policy is perceived as one of the key challenges of the coming decade at European, but also at global level. There is recognition of the strategic importance of energy efficiency for the future development and prosperity of the Programme Area, which has still untapped potential to reap economic advantages through further utilization of renewable energy from natural resources. Energy transition is not an area that was supported in the last two generation of programmes (2007-2013 and 2014-2020). The Regulation on the Governance of the Energy Union and Climate Action encourages Member States to identify opportunities for regional cooperation with neighbouring countries and consult those for the preparation of their draft integrated national strategy and energy plan. In the Western Balkans there is an enormous potential [between 20 and 40 % of energy savings] to advance in energy efficiency through investments and education of the population about the importance of saving energy.
40. In the RES sector, specifically, there is a difference between the Italian regions, where RES is relatively diversified (with wind power and photovoltaic (PV) being well developed), and the two non-member states, Albania and Montenegro, which have a high share mainly due to the importance of hydro-power. Experience and expertise in this sector is already available in some regions of the Programme area and could be shared elsewhere. Generally, the cross-border region has a strong potential for power generation from renewable all kinds of sources (hydropower, solar, biomass, geothermal waters and wind).
41. In recent years, the transition to a stronger and more circular economy where resources are used in a more sustainable and efficient way has become one of the EU's key priorities. This priority will also feature prominently in the Green Agenda for the Western Balkans. The main benchmark for cohesion policy investment in the waste sector is the recycling rate. Waste management remains a serious cause of concern, separation of solid waste has not yet started - with few exceptions - and recycling rates are very low in Albania and Montenegro.
42. Marine litter, including plastic and micro plastics, represents one of the main pressures to marine and coastal environment, they are very much present in the Adriatic and Ionian seas and they are a threat both for marine and human health. Traces of micro plastic are in fact often found in the stomach of fishes, which absorb heavy metals, viruses and bacteria.

## **ORIENTATIONS**

*The areas of investments proposed below take into account the joint statement on ‘clean energy transition in the Western Balkans’ and support the region’s efforts to develop a Green Agenda for the Western Balkans . Previous programmes have put an important emphasis on environment. Any further assistance should build on previous results with the objective to valorise and multiply them (see Impact Evaluation Report for 2007-2013).*

*Climate change and risk prevention: Possible areas of investments may include:*

*Investments should be promoted in **joint climate change adaptation and mitigation**, with a strong focus on sustainable and eco-friendly measures, particularly in areas where natural ecosystems, biodiversity and local economy are affected by consequences of climate change.*

*Cooperation could be further consolidated through the development of joint policies, protocols, procedures and approaches on **risk prevention and rapid response management**. Obstacles need to be overcome to achieve a higher degree of protection for the entire border area and population and to promptly respond to many potential emergencies (such as wildfires, major oil spills and polluting events at sea, natural disasters, severe weather evacuations, health emergencies).*

*Energy transition: Possible areas of investment may include:*

*Consider investing in **cross border small-scale energy production from renewable sources, energy efficiency actions and smart energy systems** provided that investment and distribution conditions are favourable. This could for instance take the shape of simple FIs with a grant component to make them sufficiently attractive and manageable.*

*Exchange and best practices for developing **energy efficiency** in the cross-border region should be fostered.*

*Circular economy:*

*Ensure that resources are used in a more sustainable and efficient way, possible areas of investments may include:*

- *Joint actions and campaigns to raise awareness and support sustainable consumption practices and behaviour (reuse and recycling of waste) in border regions*
- *Sharing of best practices to build the capacity of stakeholders involved in the transition to circular economy*
- *Joint measures to increase resource efficiency and to promote the circular economy in SMEs (provided that this is their primary objective, otherwise support should be focused under PO 1) such as advisory services, training on business-to-business circular procurement or ‘circular’ hubs.*

*Bio-diversity and pollution:*

*Programme’s operations should **jointly protect nature and biodiversity** in line with EUSAIR objectives and in cooperation with all Adriatic and Ionian countries. Operations should have a strategic approach, raising awareness of the local population and visitors on the specific challenges of the cross border region (biodiversity, ecological connectivity, ecological quality of water bodies, invasive plants, marine litter and micro-plastic, sea pollution). The positive contributions that can be made to protecting and developing natural resources (large number of Natura 2000 and Ramsar sites, marine and coastal protected areas, landscape connectivity,*

*green infrastructure networks) should be maximised. In this context, funds could be invested on:*

- **Protection of the wetlands** so that they also function as a natural filter, to remove pollution from the watershed, to reduce flooding and improve the habitat quality for wildlife.
- Fostering **circular economy and waste management measures**, including developing joint support on soft measures for reuse and recycling of waste in coastal areas.
- Implementing a **life cycle approach to marine litter** by: Establishing a coordinated monitoring system and database on marine litter and marine pollution; Strengthening collaboration between sectors for the development of new possibilities for marine litter recycling; Supporting actions for the assessment, prevention and reduction of marine litter as well as clean-up programmes. Operation in this area should be possibly done in cooperation with other existing maritime ETC programmes in the Adriatic-Ionian Region.
- Restoring and protecting sea-bed damaged by **destructing fishing practices**;
- Reducing the **impact of land-based activity** (industrial pollutant discharges, waste management practices, negative impact from tourism) on the maritime environment;
- Developing the capacity of environmental authorities and the non-governmental sector to exploit the **common natural heritage** of the region while respecting environmental standards and securing sustainability.

Air pollution:

- Measures to improve air quality such as green/blue infrastructure, joint awareness campaigns as well as monitoring

### **D.3 PO3: A more connected Europe by enhancing mobility and regional ICT connectivity**

43. Transport links are of prominent importance for connecting people and enabling economic activities. In the programme areas considerable effort is needed to improve the network and the quality of transport with special attention to maritime transport both concerning its monitoring system and sustainability. The quality of infrastructure has an strong impact on economic development and on environment (e.g. marine shipping) and on achieving a higher degree of territorial cohesion in the border regions.
44. Ports are a possible gate for unlawful trades concerning drugs, weapons, counterfeited goods, as well as gateways for introduction of invasive alien species which can make a negative impact on other activities, like aquaculture or tourism. Security concerns will have to be continuously addressed in an appropriate manner. Ports will need to invest substantially to tackle challenges of technological, safety, security, environmental and climate change challenges.
45. Good digital connectivity is equally important in today's globalised economy and increasing digital society. Overcoming accessibility challenges and markets' fragmentation could be a key issue to address by means other than improving infrastructure. In general, IT network connecting the inland with port infrastructures is poor particularly in Montenegro and partly in Albania. Improving it would benefit for both residents and especially visitors (business and tourism). Promoting wi-fi free

zones, would strongly boost specific area's attractiveness, and facilitate visitors and tourism stakeholders' activities and stays.

#### **ORIENTATIONS:**

*IPA CBC programmes can play an important role for coordinated action aimed at improved cross border mobility (e.g. Promote clustering port activities/services throughout the region) in line with the objectives of the EUSAIR, the Connectivity Agenda for the Western Balkan countries, in cooperation with other existing maritime ETC programmes in the Adriatic-Ionian Region and in complement to other funding (ERDF, national IPA, Western Balkans Investment Framework etc)..*

#### Mobility:

*The programme could be used to tackle complex cross-border issues, which require close and continued exchange, such as cross-border mobility services (including, ferry, and other public transport services (public bicycle and car sharing schemes)).*

*More specifically for maritime transport, operations under the programme could:*

- *Foster cooperation for sustainable development policy in port areas, deployment of green solutions improving ports sustainability.*
- *Support investments in enhancing the performance of the most frequently used **ferry connections** .*
- *Address the issue of land-sea connections and hinterland accessibility.*

#### Digital connectivity:

*In the field of ICT, investments could be promoted in:*

- *Increased digitisation of the border region, on the basis of a commonly agreed cross-border strategy and action plan*
- *improving general conditions for joint e-solutions in education (digital literacy), health care, business support and cultural cooperation.*
- *Developing the potential to improve connectivity and consequently competitiveness of regions in supporting the ICT infrastructure (WIFI spots on municipal buildings) mainly in remote areas (white spots / no interest of private providers), complementary to national programmes funding and EU initiatives (WIFI 4 EU).*

*Open calls for proposals can be used to select operations that would complement pre-identified operations under this PO.*

*Strategic projects could be as well a solution for cross-border transport projects. In this case, a list of planned operations of strategic importance can be submitted already at the adoption phase of the new programme. For a complex area such as transport, this might be a good way to attract quality projects.*

#### **D.4. P04: A more social Europe implementing the European Pillar of Social rights**

46. The demographic trends in the region show a continuous decline over recent years mostly due to ageing and net migration. Eurostat data (2018) on 'population change'

(including natural population change and the crude rate of net migration) gives the following data at national level: Albania (- 2,8%), Montenegro (-0,3%) , Italy (-2,1%).

47. High unemployment rates (particularly for women), both on total active population and on youth is the main common concern as it also generates negative side effects affecting social cohesion of the area. Structural bottlenecks can be identified like early school leaving, lack of vocational education, few opportunities to combine work and study and the inability of the labour markets to create new and sustainable jobs even in periods of high seasonal growth.
48. Being the cooperation programme based on a sea border, it is impossible to focus on cross-border obstacles to employment, however, opportunities regarding blue growth related jobs could be seized.

#### **ORIENTATIONS:**

*In general, activities leading to a more social Europe in a cross-border maritime area could be rather limited.*

*Nevertheless, the programme could focus on mechanisms for active inclusion and improving employability of vulnerable groups (including migrants). This could for instance take the shape of small project funds or micro-project schemes across the border area, focused on **people-to-people** activities.*

*Support more extensive and structured **learning activities** as a vector for building an employmentboosting factor.*

### **D.5 PO5: A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives**

49. The Programme Area is culturally diverse with a unique cultural/historic heritage, attractive natural landscapes, and old culinary traditions offering a variety of enogastronomic and folk craft products. Based on these assets, programmes in the area can provide a unique opportunity to strengthen and promote common cultural identity, both in Europe and internationally.
50. The Area is also characterised by inefficient cross-border territorial synergies, seasonal tourism demand, lack of brand reputation, absence of sustainable identity promotion strategies, and difficulties in accessibility. Furthermore, the regions is short in planning instruments for the smart and sustainable cultural and natural heritage
51. The Italian regions obviously show the highest tourism rates, while Albania records the highest tourism growth rate (50% increase from 2008 to 2012). Tourism tends to concentrate in coastal regions.

52. In Albania, the development of sustainable tourism potential has been identified as a key challenge since the previous programming period and remains one of the main strategic priorities of the government
53. Tourism has been in expansion over the past years in Montenegro and has become the country's key industry. The National tourism organisation builds on these qualities to promote the country on the global tourism market.
54. The Italian regions' share of protected areas and Natura sites is much larger than in the two IPA Countries. This undoubtedly indicates a different approach in designation and management of these areas. A more careful development planning that takes into account the unique natural values at cross-border can be envisaged with this Cooperation Programme.
55. Cooperation among coastal municipalities is already quite developed in the framework of the "Adriatic and Ionian Forum of Cities" and a number of town twinnings, nevertheless, there is scope to improve such cooperation.
56. Where the cross-border area features territorial specificities, such as coastal areas, islands, mountains or scarcely populated areas, territorial instruments can be set up within the cooperation programme, drawing on resources from several priority axes to allow for the implementation of integrated actions based on a place based joint strategy. Its implementation could be delegated to a European grouping of territorial cooperation (EGTC) or a cross border legal body established under the laws of one of the participating countries, provided that the latter is set up by public authorities from at least two participating countries .

**ORIENTATIONS:**

*Under PO5 interventions shall be based on an **integrated, place-based strategy**, i.e. strategies targeting a specific geographical area, identify integrated challenges and objectives based on the local needs, developed with appropriate citizen involvement, and endorsed by the relevant urban, local or other territorial authorities or bodies.*

*The possibility of establishing **joint territorial instruments**<sup>6</sup> adapted to the characteristics of the border region should be explored, especially with a view to tackling specific situations such as coastal areas and islands facing similar challenges on both sides of the maritime border.*

---

<sup>6</sup> While the establishment of an ITI for an IPA-CBC programme seems not feasible due to the complexity of the legal/administrative framework in the IPA countries, there is experience of Local Action Groups (LAG)-like partnerships in IPA countries. The IPA-CBC programme could use such experience during the possible application of Community Led Local Development in the 2021-2027 period.

*The programme should concentrate investments in **common historical, natural and cultural heritage products and services** through integrated territorial strategies aiming at creating employment for small companies and family businesses.*

*Improvement of the attractiveness of the region as a green tourism/cultural heritage destination could be obtained by:*

- *Investing in promoting destination marketing of the regions, linked with the offer of local products (e.g. seafood products, olive oil, etc.) and quality labels for excellence in services.*
- *The preparation of ecotourism strategies and action plans for Coastal and Marine Protected Areas as eco-tourism destinations.*
- *The development of sustainable and nature-based tourism in the area through eco-tourism product development and services provision.*
- *The establishment of networks with local partners and tourism industry to prepare and certify the quality of travel products.*

*Territorially targeted support could be envisaged for:*

- *The support of environmentally-friendly agriculture, fishing, stock-breeding and forestry practices at a transboundary level.*
- *Actions aimed at the integrated social, economic, cultural and environmental local development of islands and coastal areas.*

***Town twinnings, urban-rural linkages, and cooperation within cross-border functional urban areas** could provide an opportunity for facilitating local authorities' involvement in the EU acquis alignment process while learning from good practices in EU Member States. On the other hand, town twinning can set a framework for creating people-to-people exchanges and thereby involve citizens, universities and civil society.*

*It is important to identify projects of a strategic nature, which will enhance the implementation of the **EUSAIR Strategy**, in cooperation with all neighbouring CBC programmes and with national and regional programmes.*

*In this context, operations could:*

- *Enhance interaction and networking between different actors to stimulate economic activities. Applying the triple and quadruple helix approaches whilst devising development strategies.*
- *Promote training in vocational and entrepreneurial skills, tackling the regional qualified and skilled labour.*

## **D. 6 ISO2: A safer and more secure Europe**

57. Due to the increased rate of migrants and refugees trying to reach Croatia through the Adriatic route including Albania and Montenegro (Albanian authorities caught 2,311 migrants in the first five months, up from just 162 in January-May 2017) the programme should consider the selection of the 'a safer and more secure Europe' specific objective and to set up respective priorities and measures.

58. The proposed actions of the draft ETC regulation: "...actions in the fields of border crossing management and mobility and migration management, including the protection of migrants..." could all be relevant for the programme.

### **ORIENTATIONS:**

- *Address capability gaps relating to EU external borders identified by the European Border and Coast Guard Agency and by EU customs.*
  - *ISO 2 to support EU policies on integrated border management so as to strengthen security of EU external borders and to protect supply chains. In close coordination with IPA special national envelopes, cooperation programmes can support the upscaling and replication of border crossing point's infrastructures that can help the setting-up the Integrated Border Management (IBM) on EU's external borders.*
- Integrate people with a migrant background / foster cohesive and inclusive societies regardless of ethnicity, nationality, legal status, gender, sexual orientation, religion and disability.*
- 

## E. GOVERNANCE

---

### E.1 Cross-Border Governance in a wider context ( and use of the new "Interreg Governance" specific objective.

59. Cross-border cooperation is not limited to Interreg programmes. It also builds on policies (e.g. cross-border mobility), on legal instruments (e.g. bi-lateral agreements, treaties, European Groupings of Territorial Cooperation) and on funding (including but not limited to Interreg).
60. Actions and recommendations set out in this section may be supported by using the programme's budget for improving governance issue, as proposed in the ETC (Interreg) Regulation.

#### *E.1.1 Working on border obstacles and potential*

61. As illustrated in the Commission Communication "Boosting Growth and Cohesion in EU Border Regions", there are many different types of obstacles to cross-border cooperation. There is also scope for greater sharing of services and resources in cross-border regions and to intensify the cooperation between citizens and institutions. Among the obstacles, legal, administrative and differences in institutional capacity are a major source of bottlenecks. Other issues include the use of different languages or lack of public transport for instance. When it comes to unused potential, the shared use of health care or educational facilities could contribute greatly to improving the quality of life in border regions. As the Interreg programmes are instrumental to effective cross-border cooperation, they should seek to address these particular obstacles and tap the common potential to facilitate cooperation in this wider context.

#### **ORIENTATIONS:**

*In order to increase efficiency and inclusiveness, the programme could:*

- *Identify key obstacles and unused potential taking into consideration the major difference between a maritime and a land border and facilitate the process of finding ways to reduce obstacles or exploit the potential (e.g. by **funding meetings, experts, pilot projects, etc.**) of the cross-border area..*
- *Involve the civil society as much as possible, inviting selected representatives at MC meetings.*
- *Organize joint information seminars for potential beneficiaries, highlighting differences, complementarities and possibilities of cooperation between programmes*
- *Establish cooperation at the level of projects*
- *Take into consideration the Strategy for the Western Balkans and its goals.*

### *E.1.2. The use of financial instruments (FIs)*

62. ESIF Financial instruments (FIs) in the form of loans, guarantees and equity have gained a lot of importance over the last years. FIs have been used for delivering investments for structural funds since the 1994-1999 programming period. Their relative importance increased during the programming period 2007-2013 when they represented around 5 % of total European Regional Development Fund (ERDF) resources. It continued to further increase in the 2014-2020 period.
63. Given the leverage effect of FIs, the impact of their support can be greater than grants to the same policy areas. FIs are suitable to all projects, which are financially viable.
64. FIs, especially those targeting SMEs, are most effective when professional financial institutions are employed as they have better competence in assessing viability of applications. To make the support attractive for them, critical mass is needed and conditions of support could not be too complex.
65. FIs consisting solely of loans or guarantees may be implemented directly by MAs themselves, but in practice this approach is rarely used.
66. The framework contains rules on combination of FIs with other forms of support, in particular with grants, as this further stimulates the design of well-tailored assistance schemes that meet the specific needs of Member States or regions.

#### **ORIENTATIONS:**

*The programme should explore the possibility of using FIs.*

*Taking into account the limited budget of the concerned cooperation programmes and the local constraints, consider **simple FIs with a possible grant component** to make them sufficiently attractive and manageable, e.g. providing a “capital rebate” (forgiving a part of the loan) of X% (or more – e.g. linking the amount with income) of the project costs. Such a combination would be greatly simplified in post-2020 period.*

***Investments in energy efficiency, port infrastructure and support to SMEs** appear to have a high potential for using FIs: the eligible costs are easy to define, the instrument could be relatively simple and implementation could be fast.*

*E.1.3. Contribution to the EU Strategy for the Adriatic and Ionian Region (EUSAIR)*

67. The whole territory of the cross border region is included in the **EU Strategy for the Adriatic Ionian Region (EUSAIR)**, this makes coordination with the EUSAIR governance and alignment with its objectives desirable and necessary in order to avoid overlapping and foster complementarities.
68. The alignment of cross-border programmes to macro-regional strategies is a 'winwin' approach. Clearly, macro-regional strategies will benefit from the experience, the partners and the funds of cross-border programmes. But, cross-border programmes will also benefit from such an alignment:
- a. their impact will be bigger, when they participate in a structured development policy as set by a macro-regional strategy framework across a wider territory which they are part of;
  - b. the project pipeline will improve as project ideas will have political support;
  - c. they will increase visibility by political leaders, decision-makers and citizens, as well as the various Commission services and other EU institutions;
  - d. they will improve the social and economic development in the macro-region they are located in, and the actions of the relevant strategy will also have a positive impact on the cross-border area. The contribution to macro-regional strategies does not mean a reduction of the budget available for the programme as it is clear that every project should also benefit to the cross-border functional area.

**ORIENTATIONS:**

*The programme should spell out the actions expected to contribute to the objectives of the EUSAIR and in line with the commitments approved by the Ministers of the EU Funds and Foreign Affairs in the eight participating EUSAIR countries (e.g. Catania Ministerial Declaration, signed on 10 May 2018)*

*This requires a good and pro-active **coordination with the EUSAIR governance structures** (i.e. following the developments of the macro-regional strategies, being in contact with the National Contact Points, etc.).*

*Different types of projects could be funded, for example (i) "coordinated projects", which are part of a set of coordinated action(s) and/or project(s) located in several countries participating in a macroregional strategy (two or more countries), and are part of a joint macro-regional action creating a cumulative effect; several programmes can contribute to the funding of these projects; or (ii) single projects, where one programme is funding one project, the impact of which is relevant on the entire macro-region and therefore creates synergies.*

*One of these mechanisms could be considered: specific selection criteria (e.g. bonus points if the project contributes to a macro-regional strategy); earmarking of a budget; specific calls; or labelling (e.g. ex-post identification of projects that could be replicated).*

*With a view to achieve efficiency and coherence of investments, coordination of all ETC programmes in the region is crucial and might be achieved by establishing a **regional network of ETC cooperation programmes and MRS governing structures** (GB and TSG members), organizing joint information seminars for potential beneficiaries, highlighting differences, complementarities and possibilities of cooperation between programmes*

#### *E.1.4. Links with other existing strategies*

69. Cross-border cooperation cannot be done in isolation. It has to be framed in existing strategies (e.g. Western Balkans, national, regional or sectoral). Ideally, there should be a dedicated cross-border strategy based on reliable cross-border data, politically supported and in line with stakeholders' views. It is a useful exchange forum and a necessary step for sustainable and structural cooperation (i.e. a Monitoring Committee is not sufficient as its focus is on funding and not on designing a development strategy with strong political support). Whilst some borders have such strategies, it is not always the case. Even when there are such strategies, they are often only partly implemented with the Interreg programmes.

#### **ORIENTATIONS:**

*Support more extensive and structured ways to develop a common vision for the cross-border region, possibly using public participation tools and practices (citizens' consultations, townhall meetings, competitions, etc).*

*When such cross-border strategies exist, consider to better embed the Interreg programmes in these strategies with clear actions and results (e.g. through an appropriate intervention logic and indicators).*

*When such strategies do not exist yet, consider establishing them.*

*Finally, programmes should be better coordinated with existing macro-regional, national, regional or sectoral strategies (e.g. with an analysis on how to translate these in a cross-border context). Therefore set out a coherent overview of all existing strategies (i.e. have a mapping of the strategies affecting the border area).*

#### *E.1.5. Role of existing cross-border organisations*

70. Many regions have cross-border entities established under EU law (e.g. European Groupings of Territorial Cooperation – EGTC), national law (e.g. private law associations or public law bodies) or international law (e.g. under bilateral agreements). One example of this are the Euroregions under national law, which cover many of the borders in the EU. Many of these entities have a legitimacy (established by public authorities), an experience (many exist for years) and expertise (through their past work and staff) that should be put to good use.

**ORIENTATIONS:**

*Cooperation with Cross-border bodies could be enhanced. They can play a key role in deepening cooperation both through Interreg (e.g. by managing a Small Projects Fund) and beyond any funding mechanism.*

*Where appropriate, the cooperation programme could provide financial and/or technical support to the Inter-Governmental Commissions and their respective working groups and, build on the legitimacy, experience, and expertise of International, Inter-regional and Transnational Initiatives as any other cooperation programmes.*

*E.1.6. Links with Cohesion Policy and External Relation policy programmes*

71. The proposed Common Provisions Regulation stipulates: “each programme shall set out, for each specific objective the interregional and transnational actions with beneficiaries located in at least one other Member State”. Whilst a similar provision was already present in the past, it is now compulsory for the mainstream programmes to describe the possibilities for cooperation for each specific objective. This new obligation may have many benefits for cross-border areas: more ambitious projects (e.g. joint infrastructures), involvement of new players (e.g. the national authorities such as Ministries) and overall more ambitious policies (e.g. spatial planning with associated funds).
72. The Italy-Albania-Montenegro cooperation programme completely overlaps with the IPA-IPA Albania-Montenegro and partially with the Serbia-Montenegro, BosniaHerzegovina-Montenegro and Albania-North Macedonia IPA-IPA programmes. Moreover, besides the territorial overlap there are also thematic similarities especially concerning the themes of tourism, cultural and natural heritage, environment, climate change adaptation and mitigation, risk prevention and management. All these elements would justify the need for a closer coordination and more intensified interaction between the two programmes.
73. Consequently, there is a clear need for a reinforced interaction/coordination between the IPA-IPA and IPA-EU Member States CBC Programmes.

**ORIENTATIONS:**

*Establish (or participate to) a strong coordination mechanism with the authorities managing mainstream programmes in the concerned countries, in particular the national and IPA programmes dealing with transport, environment, regional development, ICT and labour issues. Any future regional programme located along the borders should also be closely associated to the CBC programmes. This coordination implies exchange of information and cooperation and should happen at all stages:*

*planning (e.g. designing complementarities), implementation (e.g. building on synergies) and communication (showing the benefits for the citizens and the region).*

*Synergies with the Transnational programme in the Adriatic and Ionian Region (ADRION 2021-2027) should be sought, avoiding overlapping to the maximum possible extend. Transnational programmes cover a wider area, therefore are more strategic by nature. ADRION will be dedicated to the implementation of the EUSAIR also by supporting its governance. The Italy-Albania-Montenegro cooperation programme might complement ADRION activities by responding to more specific local needs and by engaging in more concrete actions on infrastructures, environmental protection, risk management, etc.*

### *E.1.7. Cross-border data*

74. Good public policies (e.g. spatial planning, transport, health care) should be based on evidence (i.e. data, studies, mapping). Whilst this is generally available at national level for Member States, it is not always the case for IPA countries, especially at regional/ local level and even less at cross-border local level. Some of this evidence is particularly important: economic flows, transport flows and trends, labour mobility and mapping of skills, health of citizens, mapping of important infrastructures and services (such as energy, waste treatment, hospitals, emergency services, universities), mapping of risk areas (to floods, fires, etc.), mapping of natural areas (e.g. coastal and maritime protected areas, etc.) and mapping of the main inclusion difficulties (poverty, marginalised communities, etc).

#### **ORIENTATIONS:**

*Identify the sectors where important cross-border data is missing and support projects that would fill the gap at the latest by 2027 (e.g. in cooperation with national statistical offices, by supporting regional data portals etc.).*

## **E.2. Governance of the Interreg programmes**

### *E.2.1. Operational performance*

75. The Interreg IPA CBC programmes in these border regions generally experienced long designation procedures and slow take off in project contracting and implementation during the programming period 2014-2020. This should be an incentive to better identify underlying bottlenecks and structural problems. The responsible authorities would be therefore strongly encouraged to undertake a systematic analysis of the key factors having an impact on the slow take-off of the programme and the targeted mitigating measures to accelerate its implementation for the new programming period. In coordination with Interact and CBIC+, technical assistance can be used for developing a roadmap for administrative capacity building with defined activities.

### *E.2.2. Partnership principle*

76. The principle of partnership is a key feature of the whole programme cycle (including preparation, implementation and participation in monitoring committees), building on the multi-level governance approach and ensuring the involvement of economic, social and environmental partners. Examples of good practice include involving representatives of different interests in the programming process; involving them in programme evaluation or other strategic tasks for instance by setting up temporary working groups; consulting all members on key documents also between meetings. An active involvement of public, economic, civil society and environmental partners should be ensured by their participation in key steps. Technical Assistance can be made available to facilitate their full involvement in the process.

### *E.2.3. Role of the monitoring committee*

77. The **monitoring committee (MC)** is the strategic decision-making body of the programme. In 2021-2027 the MC will be given a more prominent role in supervising programme performance. Therefore, MCs currently concentrating on project selection should be invited to widen their scope of action and take on a more strategic role. Good practices include having strategic discussions as a standing agenda point, inviting contact points of macro-regional strategies or institutions playing a key role in the border area, organising project visits. Some examples of strategic discussion themes: border obstacles, cross-border data needs, inclusion of SMEs, NGOs and other under-represented beneficiaries or target groups of the programme. Where relevant, the contribution of the programme to the development of a macro-regional strategy should also be a regular point of discussion.

78. The **composition of the MC** must be representative for the respective cross-border areas. It must also include partners relevant to programme objectives (i.e. priority axes), e.g. institutions or organisations representing environment, SMEs, civil society or education. When the programme is relevant for the development of a macroregional strategy, macro-regional key stakeholders should also be regular members of the MC .

79. **Project selection** shall take place in the MC or in steering committee(s) established under the MC in full respect of the partnership principle. It is crucial that all are involved in the process. Selection criteria and their application must be nondiscriminatory and transparent. They should also be clear and they must enable the assessment of whether projects correspond to the objectives and the strategy of the programme. They are to be consulted with the Commission and communicated to applicants in a clear and systematic way. The cross-border dimension is compulsory in every selected project. The programme might consider the use of independent expert panels for preparation of project selection. Clear distinction between expert evaluators and MC roles in project selection needs to be defined and described in the rules of procedure.

80. **Large Infrastructure Projects (LIPs), flagship projects or Projects of strategic importance** (i.e. designed and implemented by public authorities without a call) may be pre-defined in the programme document or selected via a transparent and agreed

procedure. It is up to each partnership to decide on the optimal balance between different types of projects to reach the overall programme objectives (flagship projects, regular projects, bottom-up or top-down project selection, small projects etc).

81. **Decision-making** must also be non-discriminatory and transparent. The procedure should also be inclusive. Each monitoring (or steering) committee member shall have a vote. Voting by delegation should not be encouraged unless it is transparent and puts weaker partners at equal footing with "institutional" partners.

#### *E.2.4. Role of the managing authority (MA)*

82. The **MA** shall ensure effective implementation of the programme under their responsibility. The MA is also at the service of the programme and its MC. It acts as the programme authority representing all countries participating in a cooperation programme. Therefore, it is recommended that the Member State hosting the programme authorities is represented in the MC separately from the MA (i.e. a different person). The MA shall ensure the effectiveness and transparency of the project selection, reporting and monitoring systems. The use of Interact's Harmonised Implementation Tools and electronic monitoring system (eMs) is recommended where possible.

#### *E.2.5. Role of the Joint Secretariat (JS)*

83. The JS should ideally be the **cross-border executive body of the Cooperation Programme**, implementing the decisions made by the MA and the MC. It should consist of professional and independent staff from the participating countries, with linguistic competences and relevant border area knowledge. Its procedures should be efficient and transparent, avoiding unnecessary bureaucracy (such as excessive documentation requirements). Communication with beneficiaries, potential applicants and the general public should be ensured in a speedy and transparent manner mainly by the JS. **Regional contact points/antennas** operating directly under the JS' responsibility may be useful in border areas characterised by large distances and/or difficult accessibility.

#### *E.2.6. Functional areas*

84. According to different sectors, an Interreg programme may cover several overlapping functional areas (e.g. for access to health facilities, it may be larger or smaller than for access to secondary education). For some topics, the solution can only be found if partners outside the programme area are involved (e.g. for reducing the risks of flooding, you may need to reintroduce wetlands or dams upstream of a river but outside the relevant programme area). For some other topics, the solution may be very local (e.g. to have a cross-border tram line in an urban area which is expands on both sides of a border, or to promote daily commuting for work).

85. Post-2020 cross-border cooperation on maritime border must be clearly based on the “functional area” principle, meaning that the added value of cooperation must be sought in areas where common challenges and shared opportunities exist beyond administrative borders. When the border is on the sea, as on the land borders, obstacles to cooperation need to be removed. In order to increase effectiveness and efficiency of actions at the maritime border area available funds should be used mainly on maritime thematic priorities, where cooperation is not only desirable, but also necessary.
86. The proposal to address the issues through a functional area offers some flexibility in planning and implementation and linkages with other projects can be easier established. The MC shall have the competence to decide on implementing projects outside the eligible area, but with clear benefit for the cross-border region, and the macro-region, if relevant.

**ORIENTATIONS:**

*Design the actions based on functional areas - which will depend on the issue at stake - rather than on the administrative scale defining the programme area. Authorities are encouraged to use the different available tools to support functional areas such as the European Grouping of Territorial Cooperation - EGTC -, Euroregions, Community Led Local Development, natural parks, and to cooperate with the relevant macro-regional key stakeholders, where appropriate.*

*E.2.7. Trust-building measures*

87. Effective cross-border cooperation requires a good level of trust between partners. Trust needs to be built and maintained. This is a long-term investment which aims at fostering cooperation-minded future generations. Impact Evaluation Report for the 2007-2013 period emphasises that the sustainability of learning and cooperation is likely to be determined by the level of trust and confidence between partners. The report shows that the programmes have contributed to ‘confidence and trust building’ (ranked first in the list of benefits of cooperation) and to the ‘creation or consolidation of a regional identity’.
88. The IPA-Interreg and IPA-IPA CBC programmes can make a substantial contribution by providing financial support for trust-building activities such as linking up schools, sports clubs, cultural organisations, etc. The beneficiaries of such activities are often not equipped to manage full-blown Interreg projects.

**ORIENTATIONS:**

*Put in place mechanisms to finance small projects or people-to-people projects that make a strong contribution to the social and civil cohesion of the cross-border region. Programmes could focus on measures that will increase citizen’s knowledge of each other and **build trust**. This can be done using the new tool proposed by the Commission (the Small Projects Fund) or via specific calls managed by the Managing Authority itself, focused on **people-to-people** activities.*

## E.2.8. Conflict of interest

89. Conflict of interest between decision-making bodies and applicants and beneficiaries must be avoided at any moment, including project generation, project preparation, project selection and project implementation. One way to avoid this is to ensure a proper segregation of duties between institutions and persons.

## E.2.9. Communication and publicity

90. The Cooperation Programme makes use of the Interact-developed eMS. This is very positive as it also provides a direct interface with the KEEP database of projects which is an invaluable resource for all actors of territorial cooperation. The programme should ensure it continues to contribute to the completeness and correctness of KEEP.
91. The Cooperation Programme runs a clear and well-structured website that contains good and up-to-date information including for instance on progress towards achieving the programme's targets. This level of transparency is much welcome and should continue.

### **ORIENTATIONS:**

*Make use of the opportunities offered by the Interreg Volunteers Youth Initiative (IVY) and host young volunteers in the programme management bodies or within individual projects.*

*Make use of communication tools to inform the wide public both at local, regional and national level.*

*Maintain transparent process by publicising progress of projects but also the minutes of discussion of MCs.*

---

## **Conclusions**92. The main raison d'être of these programmes is threefold: 1) trust building,

reconciliation, developing good neighbourly relations and lasting cross-border partnerships in a region with a very difficult recent history (wars in the 1990'); 2) capacity building of the programmes authorities and of the stakeholders' community, preparing the (potential) candidate countries for accession and management of EU funds; 3) supporting financially border regions, usually underfunded and lagging behind, to enable them to jointly address local needs on both sides of the border.

93. The success of the programmes can be proved not only by the results already delivered by projects but also by a constant, very high interest among the stakeholders – for both programmes the amounts already applied for are seven times higher than the total budgets of the programmes.

94. The paper proposes orientations for all five Policy Objectives (POs) that will drive investment in the 2021-2027 programming period for the Interreg IPA cooperation

programmes. Nevertheless, there is a need to find the right balance between the (potential) wide range of actions envisaged and the need for thematic concentration to increase the impact of available funds. Future programmes should reflect EU priorities such as the ambitious climate agenda of the new Commission and Europe's global challenges.

95. Supporting European integration of IPA beneficiaries by promoting good neighbourhood relations and building capacities of local, regional and national institutions to implement EU programmes under EU territorial cooperation goal is also particularly important.

### Sources of information

- Border needs study (Commission, 2016) – [Collecting solid evidence to assess the needs to be addressed by Interreg cross-border cooperation programmes - Regional Policy - European Commission](#)
- EC ex-post evaluation of ETC 2007-2013 [http://ec.europa.eu/regional\\_policy/en/policy/evaluations/ec/20072013/#1](http://ec.europa.eu/regional_policy/en/policy/evaluations/ec/20072013/#1)
- European Territorial Cooperation - best practices and innovative measures, European Parliament, 2016 [REPORT on European Territorial Cooperation - best practices and innovative measures - A8-0202/2016](#)
- Quantification of the effects of legal and administrative border obstacles in land border regions (Commission, 2016) – [quantification of the effects of legal and administrative obstacles in land border regions - Bing](#)
- Easing legal and administrative obstacles (Commission, 2017) – [Easing legal and administrative obstacles in EU border regions - Regional Policy - European Commission](#)
- Comprehensive analysis of the existing cross-border transport connections and missing links on the internal EU borders (Commission, 2017-2018) – [https://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/cb\\_rail\\_connections\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cb_rail_connections_en.pdf)
- DG SANTE's study on cross-border health care [Building Cooperation in Crossborder Healthcare: new study published! | FUTURIUM | European Commission](#)
- ESPON's Targeted Analysis on Cross-Border Public Services [CPS - Cross-border Public Services | ESPON](#)
- Smart Specialisation Strategies in [Region 1] and [Region 2] – [internet link]

- Supporting an Innovation Agenda for the Western Balkans - Tools and Methodologies, JRC, May 2018
- Smart Specialisation Strategy Region Puglia
- Policy papers from REGIO (on the 5 Policy Objectives as well as on cooperation and administrative capacity)
- Strategy of the 2014-2020 programme (ex-ante evaluation, SWOT, priorities, evaluations)
- European Strategy for the Adriatic and Ionian Region <https://www.adriaticionian.eu/>
- Country Report Italy 2019, [SWD\(2019\) 1011 final - Brussels, 27.2.2019](#)
- Competitiveness in low-income and low-growth regions - The lagging regions report