
Evaluation of the Interreg Italy-Albania-Montenegro IPA CBC Programme 2014-2020



First report on the Programme efficiency and
effectiveness

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I Acronyms

CP – Cooperation Programme

CPR – Common Provision Regulation

EQ – Evaluation Question

ETC – European Territorial Cooperation

EU – European Union

FLC – First Level Controller

FTE – Full Time Equivalent

IPA – Instrument of Pre-Accession

JMC – Joint Monitoring Committee

JS – Joint Technical Secretariat

LP – Lead Partner

MA – Managing Authority

NIP – National Info Point

PA – Priority Axis

PP – Project Partner

PPR – Project Progress Report

SO – Specific Objective

TA – Technical Offer

2 Executive summary

Summary of the key evaluation findings:

Administrative capacity

- The analysis shows that human resources are adequate to ensure an efficient and effective implementation of the programme (e.g. the number of FTE involved in the management of the programme is aligned with the EU average). However, the nature of the programme, which involves 2 pre-accession countries with their specificities, needs to be duly taken into account.
- At the same time, if we look at the incidence of the JS costs out of the total TA budget, we can observe that the staff activated to ensure the implementation of the programme absorbs only a limited part of TA resources (approximately 24%). In other words, on the one hand the total number of FTE mobilised is aligned with the EU average, on the other the incidence of the JS cost is lower, which seems to prove that the Puglia Region is taking charge of some of the costs needed for ensuring the efficient/effective implementation of the programme.
- The presence of staff coming from the participating countries is limited (6 JS officers from Italy, 1 JS officer from Albania and no officers from Montenegro), even though staff of the national authorities and national info points in Albania and Montenegro supports the MA and JS in compliance with the regulatory responsibilities.

Control system and measures to reduce administrative burden

- Time needed to carry out controls and to reimburse expenditures is generally higher than what is expected according to the rules defined in the programme manual. According to the information gathered from beneficiaries, the process generally lasts more than 10 months (including also delays due to lack of documentation by beneficiaries), but there are also rare and exceptional cases where beneficiaries were reimbursed 2 years after the end of the reporting phase.
- The two phases absorbing most time are:
 - o The time needed by the PP to submit the PPR to the FLC via eMS. According to information gathered through the interviews to the FLC, partners from all participating countries tend to submit the PPR close to the deadline for the submission of the JPR. The slowness in loading the PPR immediately puts the FLC in difficulty, by limiting the time for carrying out the controls.
 - o Time needed to carry out controls. The time needed by FLC to carry out controls varies a lot. According to the information collected during the interviews, in several cases controls carried out by Albanian FLC took even more time. Due to the characteristics of the ETC projects, the delays of the Albanian FLC slowed down the certification flow at partnership and Programme level. It is important to underline that these problems led to a recent reorganisation of the FLC system in Albania (September 2020), which needs to be still evaluated. In addition, higher quality standards may also negatively impact on the timing for control. Regarding the specific difficulties characterising the controls carried out in Albania, problems do not depend on the lack of human resources. Reasons of delays must be sought in the internal organisation of the activities of the FLC and on the lack of specific skills and competences of the beneficiaries. In addition, the certification was slowed down in Albania because the National Authority did not have a system to anticipate the FLC remunerations (before TA budget is transferred from the MA), and in parallel the reporting of TA expenditures by the National Authority was rather slow. The re-organisation of the FLC office in September 2020 has also had positive impacts on the performance, which need to be evaluated in the near future as well.

Besides other constraints in the reporting phase are caused by the following:

- In the 2 IPA countries, many delays can be found in the difficult cash flows (capacity to anticipate funds) incurred by public as well as by private institutions

In Albania the bureaucratic system related to the financial flow, which is managed by the Ministry of finance for all funds addressed to all Albanian public beneficiaries, has caused many problems and delays in the project implementation process

Support to beneficiaries

- The support provided to beneficiaries is considered of high quality by beneficiaries and programme bodies. The support in terms of quality of the available tools (e.g. JS assistance, implementation documents, implementation and LP seminars) is very positively perceived across all types of respondents.
- Despite the delays that have often characterised the certification process, most respondents consider helpful the information provided by the Programme with reference to the rules on eligibility of expenditures.
- In general, most of the support requested by applicants concerns the coordination with project partners.

Project selection procedures

- The decision-making process for the selection of operations can be considered transparent and in accordance with EU regulations. The guiding principles and the assessment procedure are clearly outlined in Programme documents such as Section 2 of the CP, the Programme Manuals, the Assessment manuals and the ToRs.
- The JS checks the ability of project partners to effectively implement the activities foreseen in the project plan. For beneficiaries based in Albania and Montenegro this assessment is made on the basis of the assessment by the respective NIPs, while for Italian beneficiaries it is made by the JS. This is also due to the fact that the programme is new, and partnerships are newly established.
- The first call for proposals saw the participation of many applicants, with a total of 190 applications received. Only 28% were rejected during the quality assessment phase which confirms the good quality of the project proposals and consequently the effectiveness of support provided to applicants by JS and NIPs.
- The preparation of project proposals is generally not perceived as longer or more burdensome than other ETC programmes survey respondents have applied to.
- 74% of respondents declare the events organised at central and national level have been helpful or very helpful in supporting the creation of appropriate partnerships.

Indicator system and performance framework

- The analysis of the financial performance indicates that the Programme is far from the target set for 2023. The comparison with the financial absorption of other IPA CBC programmes makes it clear that the programmes is facing specific difficulties. This assumption should be evaluated also in the light of the two-year delay at Programme start.
- The combination of financial underperformance and of physical overperformance indicated that:
 - the initial targets set by the programme for measuring the physical performance were underestimated. For example, if we consider the amount of budget allocated under PA 2, the target of '4 new products, services and pilot or demonstration projects realised' seems extremely low (also if compared to the target set for the same indicator under PA 3).
 - Possible inconsistencies in the data declared by the beneficiaries. More precisely, we see possible risks that beneficiaries are overestimating their achievements due to inconsistencies in the interpretation of the indicators' definitions. However, the planned assessment of the

achieved quantities of outputs by the JS officers at project closure, in order to identify which project outputs have the capacity to effectively contribute to the achievement of the programme outputs, may mitigate these inconsistencies.

In this regards it is worth mentioning that because of a gap in the template for IPA CBC programmes, no performance framework was programmed in the Programme document. This implied that the performance framework has been added ex post at the end of 2018, without the background knowledge on indicators by the programme developers.

- Result indicators are generally performing in line with the financial performance of the Programme. In this sense, the approach adopted for setting the targets and monitoring the achievement of result indicators seem more solid and reliable than for output indicators. Nonetheless, information from the case studies shows that beneficiaries are facing difficulties in understanding how to monitor these indicators. This was also confirmed by the desk analysis of the project application forms which showed several cases of projects which confuse the definitions of outputs and results.

Integration with other EU instruments

- No formal mechanism was established at programme level to ensure operational coordination (e.g. coordination during programme implementation when launching the calls) with other ETC programmes overlapping in the cooperation area, except for the assessment by the JS of the parts of the application form and of the project Final Report, where project beneficiaries explain the synergies and complementarities with other programmes and fundings, as well as the Annual Implementation Report part on the contribution to the EUSAIR. Additionally, there are several informal coordination tools used, such as the networks established by the Italian Government (ACT and DIPCOE), i.e. ETC strategic coordination group, Adriatic-Ionian MA/JS working group, Interact Italian national committee, as well as networks like Interact Mediterranean programme networks, Knowledge of the Sea network, South-East and Central EU ETC network and the EUSAIR platforms, which the JS/MA participate in.

3 Introduction

The objective of this First report on Programme efficiency and effectiveness is to assess the quality of the rules and procedures defined by the Programme and the related decision-making processes guaranteeing the functioning of the Programme and its capacity to achieve the established objectives.

The report focuses on the operational and administrative aspects related to the Programme life cycle.

The evaluation of the Programme efficiency and effectiveness is divided into the following sections:

- 1) **Management structure and controls**, including the assessment of the Programme administrative capacity, the analysis of the control system, the evaluation of the simplification measures introduced by the Programme and the support provided to beneficiaries;
- 2) **Procedures for the selection of projects**, regarding the efficiency and effectiveness of the process for the selection of projects;
- 3) **Analysis of the indicators system and of the performance framework**, focusing on the relevance and effectiveness of the monitoring system and the progress towards the targets;
- 4) **Integration with other EU instruments**, focusing on the coordination mechanisms between the Interreg Italy-Albania-Montenegro Programme and other EU instruments and programmes.

4 Methodological approach

4.1 TOOLS AND METHODS

This chapter focuses on the description of the methodology used to draft the present evaluation report.

The main objective of this evaluation is to assess the efficiency and effectiveness of the Programme, and in particular to provide evidence and recommendations concerning the governance and management structure, the procedures for the selection of projects as well as an analysis of the performance framework and preliminary findings on the achievement of programme targets.

Table 1 – Elements evaluated

Elements evaluated	Sub-elements
Management structure and controls	Administrative capacity
	Control system
	Innovations and measures to reduce administrative burdens
	Support to beneficiaries
	Involvement of the relevant stakeholders
Procedures for the selection of projects	Efficiency / effectiveness of the process for project selection
Analysis of indicators system and of the performance framework	Relevance and effectiveness of the monitoring system
	Progress towards the targets
Integration with other EU instruments	Integration and synergies with other EU instruments and programme

The evaluation of the elements presented above stems from the analysis of both primary and secondary data. The analysis of Programme documents, administrative data retrieved from the Programme monitoring and reporting system (December 2020) as well as the programme website represented the key starting point for a thorough understanding of the Programme's structures and functioning and lay the foundation for a targeted collection of primary data through interviews to programme bodies, case studies and web surveys. Between March and April, a total of 14 semi-structured interviews were conducted with the MA, JS, JMC members, NIPs and FLCs covering all partner states.

Furthermore, between April and May 2021, the evaluators elaborated 9 case studies (for a total of 17 interviews with project lead partners and project partners). Case studies have been selected in accordance with the JS and referred to more advanced projects approved during the first call for proposal. The selection of projects for case studies has been done with the aim of guaranteeing a well-balanced coverage among programme specific objectives and countries.

In addition, a web survey was carried out involving Programme beneficiaries. The web survey of beneficiaries aimed to evaluate the efficiency, effectiveness and relevance of programme implementation as well as the perception of programme management and support through the collection of both qualitative and quantitative data. Additionally, the survey collected information on the progress declared by the projects in terms of outputs and results.

The table below provides an overview of the methodological tools and data sources.

Table 2 – Data sources

Desk analysis 	Programme management and implementation documents Programme web site and projects portals Application forms and progress reports Available literature on policy and programme Available databases (e.g. <i>cohesiondata</i>) Data retrieved from the monitoring and reporting system
Interviews 	Programme bodies involved: MA/CA, JS, JMC, NIPs, FLCs, EC Rapporteur 14 interviews have been conducted to ensure full coverage of programme structures and participating countries (between March and April 2021) 9 case study report, for a total of 17 interviews with project Lead partners and Project partners.
Web survey 	Web survey addressed to Italy-Albania-Montenegro Programme beneficiaries

The Annexes section of the present reports contains the detailed list of Programme authorities interviewed, the case study selection and a brief analysis of the results of the survey.

5 Programme management and control structures

This chapter aims to assess the effectiveness of the programme management and control systems. The chapter focuses on the following topics:

- Administrative capacity;
- Control system;
- Innovations and measures to reduce administrative burdens;
- Support to beneficiaries;
- Involvement of relevant stakeholders.

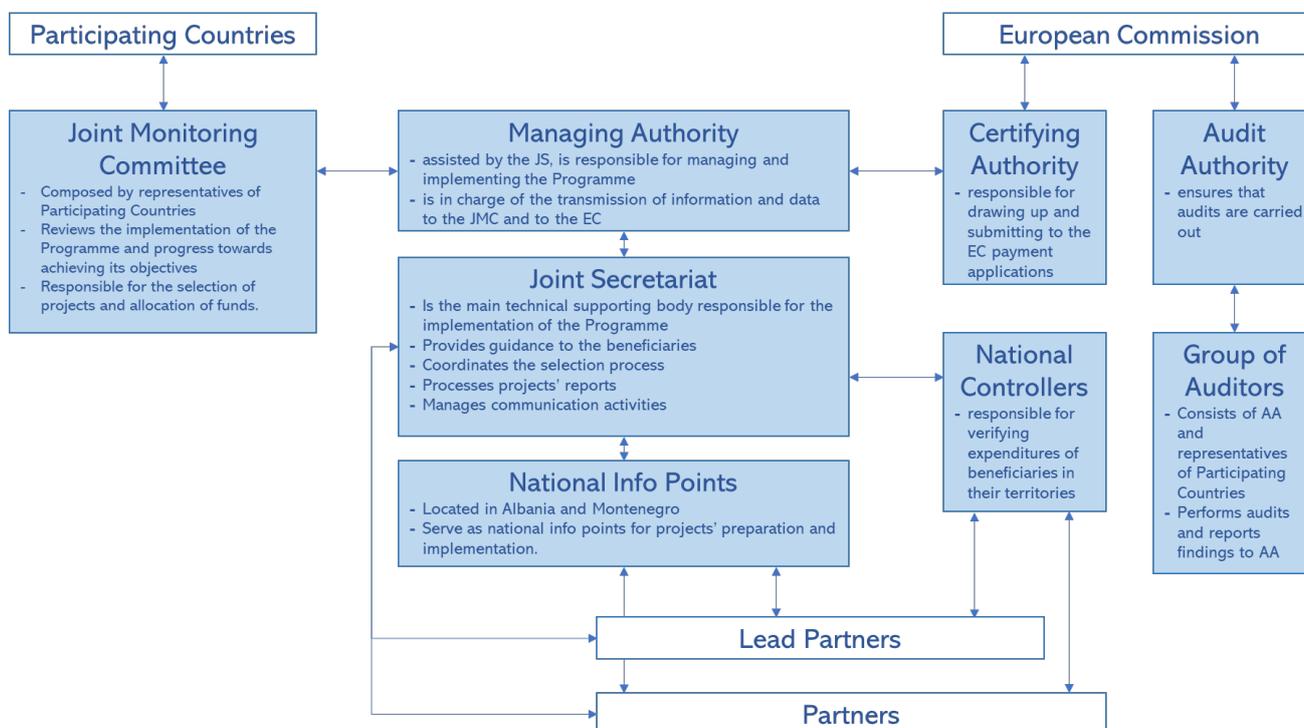
5.1 ADMINISTRATIVE CAPACITY



In compliance with the EU regulatory requirements and the national legal and financial framework of all participating countries, the Italy-Albania-Montenegro Programme has set up a programme management system that establishes functions, responsibilities and tasks of the different programme bodies involved in the management of the programme. These are the Managing Authority (MA) supported by the Joint Secretariat (JS), the Audit Authority (AA) including the Group of Auditors (GoA) comprising one representative of each partner state, the Certifying Authority (CA), the Joint Monitoring Committee (JMC), the National Info Points (NIP), and the First Level (FLC).

The figure below summarises the key bodies involved in the management and control system.

Figure 1 Management and control system



Source: Cooperation Programme

The Programme was at its first experience in 2014-2020 and all programme structures have been set up from scratch. This required some time and therefore the Programme started with a two-year delay, from the approval of the Programme document from the European Commission (2015) to the contracting of the JS staff. Nonetheless, Programme authorities (MA and JS) efficiently managed within the first semester of 2017 to launch the first call for proposal.



The interviews carried out with programme authorities allowed to collect detailed information regarding the number of persons involved in the programme implementation. The table below illustrates the number of full time equivalent (FTE) activated (and expected to be activated) by the MA and JS during the programme implementation.

	TOT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MA	46.05	5.6	5.6	5.6	5.6	5.6	5.6	5.6	3	2.2	1.65
JS	36.4	0	0	0	7	7	7	7	3.5	2.8	2.1
TOT	82.45	5.6	5.6	5.6	12.6	12.6	12.6	12.6	6.5	5	3.75

Source: interviews with programme bodies



The analysis of the adequacy of the human resources working at central level (i.e. MA/JS) is carried out adopting the same approach used by the EC when assessing the baselines on administrative costs for 2014-2020 (EC 2018 'New assessment of ESIF administrative costs and burden'¹), i.e. by comparing the total number of full time equivalent (FTE) working for the programme management with the overall programme budget.

As illustrated in the table below, according to the data gathered from the interviews with the MA/JS, the management of the 2014-2020 Italy – Albania – Montenegro programme involves 82,45 FTE (over the 2014-2023 period). Compared to the overall programme budget this corresponds to 0.89 FTE per Million EUR, which is above the average administrative costs of the ETC programmes.

Table 3 FTE dedicated to Programme management

Italy – Albania – Montenegro Programme		Average ETC programmes ²
Total FTE	FTE/Million EUR total budget	FTE/Million EUR total budget
82.45	0.89	0.56

Source: own elaboration based on EC 2018 "New assessment of ESIF administrative costs and burden"

The benchmark with the average administrative costs of ETC programmes at EU level seems to suggest the adequacy of the number of human resources dedicated to the Italy – Albania – Montenegro programme management.

However, this aspect should be further investigated. Indeed, it is important to underline that according to the EC the administrative costs (i.e. the number of FTE per Million of EUR) tend to be higher when dealing with small programmes ("smaller programmes tend to be relatively more costly than financially larger programmes"³). All Programme have fixed costs for their management and this means that if the benchmark with the EU average (see table above) is interpreted by also considering the financial volume of the programme⁴, it is normal to have more FTE per Million EUR than the EU average for ETC programmes.

¹ EC 2018 "[New assessment of ESIF administrative costs and burden](#)"

² Ibidem

³ Ibidem

⁴ the average budget of ETC programmes is 153 Million EUR.

Moreover, it is important to underline that the average administrative costs calculated by the EC were defined only on the basis of cooperation programmes between EU Member States, but from the evaluator's perspective we can expect that the cooperation with non-EU MS implies higher administrative costs.

It is also important to highlight that no additional external resource was hired by the Programme to support Programme management. This means that the 7 FTE JS officers activated by the Programme are involved "horizontally" in all programme management tasks (4 officers, supported by the head of the JS, are responsible for the monitoring of 18 projects each, one officer is responsible for communication – with no external support – and one officer is responsible for the secretary activities).



Comparison with the average administrative costs of ETC programmes calculated by the EC is integrated with the analysis carried out by the *Agenzia per la Coesione Territoriale (ACT)*. In 2020 ACT carried out a specific analysis on the 12 JS based in Italy⁵. The report highlights that the staff activated to ensure the implementation of the programme absorbs only a limited part of TA resources (approximately 24%). This seems to mostly depend on the fact that a large part of the staff activated at the MA level are employees of the Puglia Region and therefore do not weigh on TA costs. However, it is important to note that the staff costs of the MA has only been partially reported until 2020 and thus data could be interpreted considering also this aspect.

Table 4 Incidence of the costs of the JS out of the total TA budget

Programme	JS staff costs/ total TA budget
Adrion	50,96%
Italy – Malta	50,87%
Italy – Switzerland	47,73%
ENI Italy – Tunisia	43,61%
Greece – Italy	39,18%
Italy – Croatia	31,88%
Italy – Slovenia	28,34%
Italy – Austria	26,23%
Italy – Albania – Montenegro	24,16%
Italy – France Maritime	17,53%
ENI Med	6,67%

Source: ACT, "Come funzionano i segretariati congiunti" (2020)



As concerns the composition of the programme bodies (and of the JS in particular) by nationality as for other Interreg programmes managed by Italian public administrations⁶, the presence of staff coming from the participating countries is limited (6 JS officers from Italy, 1 JS officer from Albania and no officers from Montenegro).

However, according to the information gathered with the interviews with Programme bodies, in spite of the EU wide procedure to select JS staff, the applications from Albania and Montenegro were extremely limited, due also to the Italy's requirement of residency and working permit for non-EU citizens, which hinders the participation. In order to fill this gap, Programme NIPs are staffed with citizens from Albania and Montenegro.



As regards the organization of the NIPs, their main tasks are:

⁵ Agenzia di Coesione Territoriale 2020 "Come funzionano i Segretariati Congiunti"

⁶ Ibidem

- assisting the Joint Secretariat in the programme implementation process;
- contributing to the information and publicity actions within their respective country;
- serving as a contact point for project applicants, partners and stakeholders at national level by providing assistance for project generation.

Both Albania and Montenegro have one NIP entirely dedicated to the programme.



The interviews with NIPs and JMC members suggest that no particular issues arose during the setting up of NIPs at the beginning of programme implementation. In terms of the quality of interactions between NIPs and the JS and the support provided by the JS, there is strong consensus among NIPs about the high effectiveness of the support provided throughout programme implementation, citing a consistent availability and responsiveness of JS staff in answering NIP requests and providing solutions to arisen problems and doubts. At national level, the interactions between the JMC members and NIPs is considered very good. At the same time, with regards to Albania, JS members stressed the importance of limiting the turnover of the Ministry executives which control the NIP activity since in some cases, this turnover created obstacles in the smooth carrying out of NIP activities.

5.2 CONTROL SYSTEM



The control system is illustrated in the Programme Manual (see in particular Chapter 4.4 Financial management and FLC guidelines). Many control steps are carried out by the Programme bodies at all levels:

- National controllers validate expenditure of LPs/PPs following procedures and performing administrative verifications and on-the-spot checks in accordance with a harmonised approach valid for the entire programme area.
- The MA/JS performs monitoring controls on the request for payments received from the LPs on behalf of the partnership. Controls also concern the delivery of outputs as well as the compliance with EU and programme rules.
- The MA/JS conducts further on-the-spot verifications. At least once in the project life cycle of all projects MA/JS verify the overall progress of the project, the results achieved, the existence of project outputs and the consistency with the approved project application.
- In compliance with Art. 127 of the CPR, the AA is responsible for verifying the effective functioning of the management and control system. This 'second level control' carries out additional checks on a sample range of operations and its aim is to ensure that no ineligible expenditure is included in applications for payment to the EC. Any LP/PP in any project can be selected for a second level control check, carried out at the premises of the selected beneficiaries. The AA is supported by the Group of Auditors (GoA) which in compliance of Art. 25(2) ETC Reg. is composed by representatives of each participating countries. The GoA is responsible for organising and performing these second level on-the-spot checks and for reporting back any findings to the AA.
- Finally, other institutions such as the EC, the European Court of Auditors (ECA), the European Anti-fraud office (OLAF), as well as the auditing bodies responsible at partner state level are entitled to audit the proper use of EU funds by the LP and PPs.

As illustrated in Chapter 4.4 *Financial management and FLC guidelines* (see paragraph 1) of the Programme Manual, each participating country is responsible for designating the body responsible for carrying out verifications on expenditure in relation to beneficiaries in their territory. There are two types of national control systems in place:

- A centralised system, where the participating country appoints one body to perform the verification of expenditure of all beneficiaries located in its territory (and beneficiaries submit their expenditure to this body), or
- A decentralised system, where each beneficiary appoints its own controller according to pre-defined instructions, procedures and requirements set by at national level. In this case, controllers can be internal or external to the beneficiary institution.

Regardless of the chosen system, the cost of controls can be free of charge or charged to beneficiaries.

The table below summarises the control system in each participating country.

Table 5 Control systems in Italy-Albania-Montenegro Programme

Participating country	Institution	System type	Cost of control
Albania	Ministry of Finance and Economy, Directorate for contracting and financing of EU, WB and other donor funds (CFCU)	Centralised	Free of charge
Italy	Puglia Region is responsible for the accreditation of the FLC	Decentralised	Charged to beneficiaries
Montenegro	Ministry of Finance, Directorate for Finance and Contracting of the EU Assistance Fund, CFCU	Centralised	Free of charge

Source: Programme document, interviews

The internal organisation of FLC units differs: Albania have controllers dedicated to specific programmes (i.e. a certain number of controllers only working on Italy-Albania-Montenegro Programme), while Montenegro has FLC working across all ETC programmes eligible in the country.

Looking at the human resources available for carrying out the controls in Albania and Montenegro, the table below provides an overview of the number of controllers involved in both participating countries also in relation to the number of beneficiaries. As the table shows, the availability of human resources is significantly higher in Albania than in Montenegro.

Table 6 Number of controllers (FTE estimate) in centralised systems

Participating country	N. of controllers (FTE)	N. beneficiaries (excluding Small Scale Projects)	N. of beneficiaries per FLC
Albania	4	91	30
Montenegro	1 ⁷	76	76

Source: eMS, interviews,

In Italy, the choice of a decentralised system means FLCs are directly selected by project beneficiaries. They usually are independent controllers selected on the market who are subject to the approval by Puglia Region based on the criteria defined by IGRUE. FLCs selected are then trained by the JS.

As outlined illustrated in Chapter 4.1 *Reporting procedure* of the Programme Manual, the financial control starts at national level with the verification of the Partner Progress Report (PPR) filled out by all PP in each partner state. More in detail, each project partner is responsible for submitting a Partner Progress Report to the First Level Controllers via eMS. This report contains information on the activities and the financial progress in relation to a certain reporting period.

Based on the Partner Progress Report filled out by all PP, the LP fill out the Joint Progress Report (JPR). Through this document the LP provides information on the project activities and the financial progress at

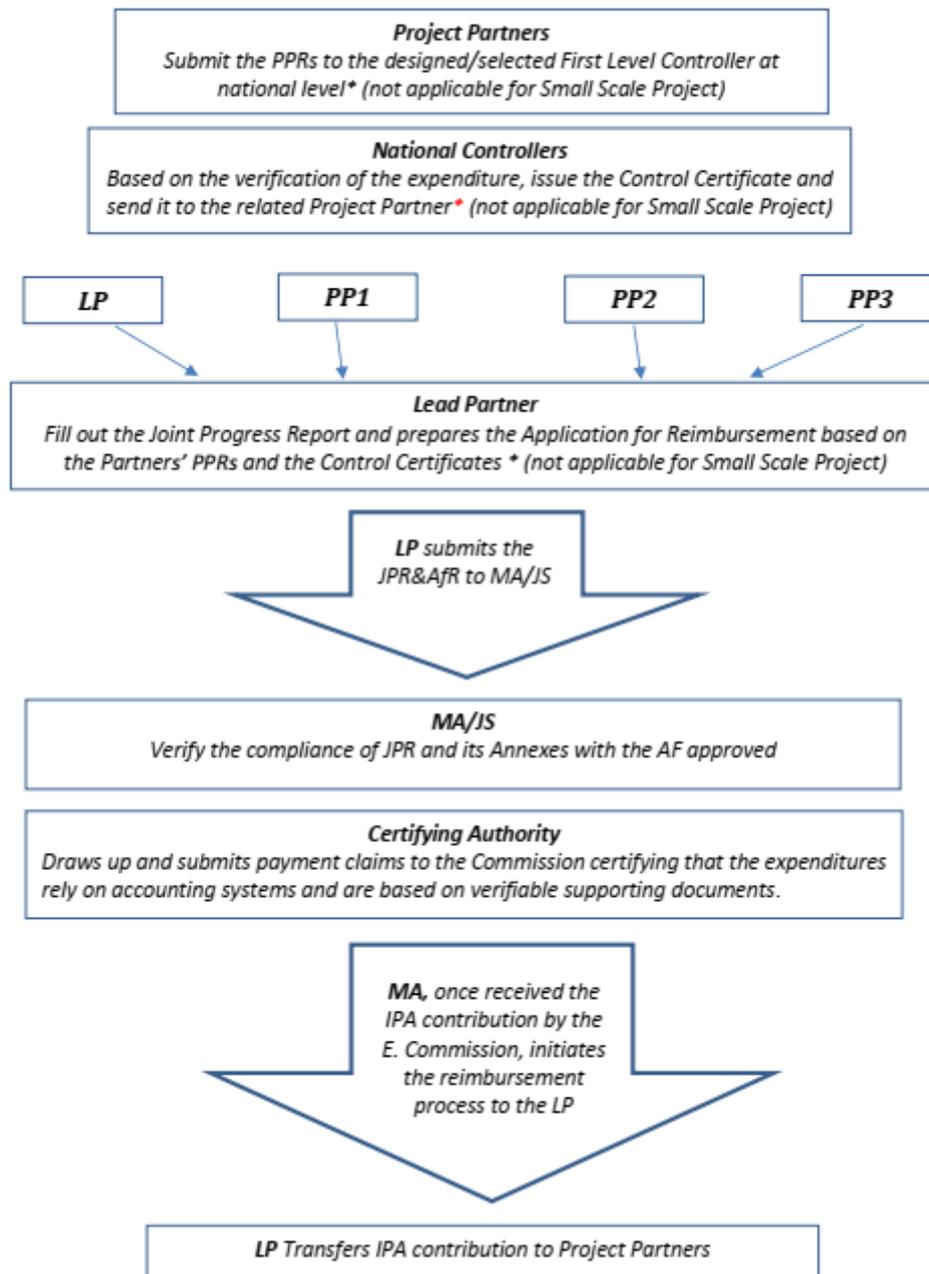
⁷ 4 FTE (1 director, 3 officers) who are dedicated to the controls of the 4 ETC programmes eligible in Montenegro (1 FTE = 25% * 4FTE)

project level by formally confirming that information provided by the PP through the PPR were verified and validated by the FLC. This report is submitted to the MA/JS via eMS.

As stated above, at this stage the MA/JS performs further checks (each JPR is monitored by two JS officers) and, if necessary, can request further clarification to the LP before approving the JPR. Once the JPR is approved by the MA/JS, the CA submits the payment claim to the Commission, certifying that the expenditures rely on accounting systems and are based on verifiable supporting documents.

The MA then proceeds with the reimbursement to the LP on the specific bank account. The LP is responsible for transferring the contributions to the PP.

Figure 2 Reporting/payment process



Source: Programme manual, Chapter 4.1 Reporting procedure (p.5)

Specific issues related to the control system

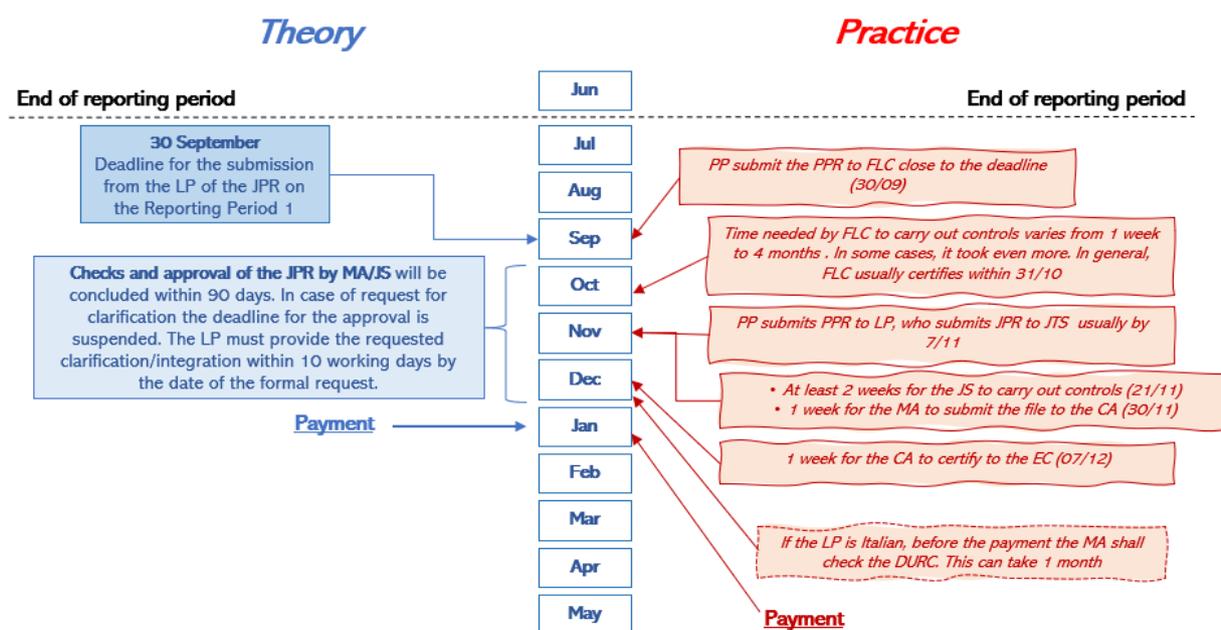


The interviews to programme bodies and FLCs allowed to investigate a wide array of aspects concerning first level control and to identify specific issues arisen. The following paragraphs address the most salient points concerning the FLC work.

According to the programme manual, the flow summarised in the figure above shall take approximately six months: LP has 3 months to submit the JPR to the MA/JS and the MA/JS has 90 days to carry out all controls. However, according to the information gathered through the interviews, the process generally lasts more than 10 months (see figure below). In one case, according to the information collected through the case study, project partners receive payments after 2 years from the end of the reporting phase, due to a particular situation faced within this project.

The perception of the time needed for reimbursement of the beneficiaries might be slightly falsified from the specific programme rules in relation to the pre-financing of 20% of IPA funds paid in the contracting phase (unlike the majority of Interreg, which have none) and compensation of the pre-financing in the first periods, when beneficiaries usually report very low amounts (not exceeding the compensation amount), therefore they are not entitled to receive payments until the last reports, when the majority of expenditures are reported.

Figure 3 Reporting and payment deadlines: theory and practice.



Source: Programme manual, Chapter 4.1 Reporting procedure (p.6); interviews to programme bodies; case studies.

The two phases absorbing most time are:

- I. The time needed by the PP to submit the PPR to the FLC via eMS. According to information gathered through the interviews to the FLC, partners from all participating countries tend to submit the PPR close to the deadline for the submission of the JPR. The slowness in loading the PPR immediately puts the FLC in difficulty, by limiting the time for carrying out the controls.

Time needed to carry out controls. According to the figure above the time needed by FLC to carry out controls varies a lot. According to the information collected during the interviews, additional time might occur between payment decree, payment order and actual bank transfer (especially to Albania and Montenegro).

Moreover, Albanian public partners have an additional step, transfer from the central account of the state treasury to the LP account (sometimes it took more than 6 months). Due to the characteristics of the ETC projects, the delays of the Albanian FLC slowed down the certification flow at partnership and Programme level. It is important to underline that these problems led to a recent reorganisation of the FLC system in Albania (September 2020).

In addition, the certification was slowed down in Albania because the National Authority did not have a system to anticipate the FLC remunerations (before TA budget is transferred from the MA), and in parallel the reporting of TA expenditures by the National Authority was rather slow. The re-organisation of the FLC office in September 2020 has also had positive impacts on the performance, which need to be evaluated in the near future as well.

The data on the time for certifying expenditures must be assessed also with the overall quality of the control, which may be evaluated also on the basis of the Audit findings. In this respect, it seems that the Albanian member of the Group of Auditors is satisfied with the control work done. In addition, an analysis of the Managing Authority highlights that the percentage of expenditures excluded by the controllers is higher in Albania than in Montenegro, with a higher number of clarifications rounds by the Albanian controllers, which seems to confirm an accurate work by the Albanian controllers.

In general, errors, missing documentation or clarifications, which beneficiaries do not provide on time to FLC, have slowed down several reimbursement procedures as well.

5.3 INNOVATIONS AND MEASURES TO REDUCE ADMINISTRATIVE BURDEN



According to the analyses carried out by the EC on the use of ESI funds⁸, the most effective solutions to limit the administrative costs and burden on beneficiaries are: 1) the set-up of an eCohesion system able to ensure that the flow of information between the beneficiaries and the programme bodies is paperless; 2) the use of simplified cost options (SCOs).

As concerns the use of eCohesion, the Programme opted for eMS, a system which is generally appreciated both by ETC stakeholders and by the EC. Concerning the use of SCOs, in line with approach adopted by most of ETC programmes, the Italy-Albania-Montenegro Programme offered beneficiaries the possibility to calculate direct staff costs on a flat-rate basis up to 20% of the direct costs other than staff (based on Art. 19 ETC Reg.).

Moreover, based on the results of the gap analysis carried out after the first call for proposals (i.e. underrepresentation of small associations, NGOs, local communities), the Programme decided to introduce the so-called 'small scale projects'.

The introduction of this type of projects is in line with the Programme objective to test innovative financing options, also in compliance with the proposals for regulations 2021-2027 issued by the European Commission (see ETC Regulation, Small Project Fund).

Small-scale projects are implemented by using simplified cost options (SCOs). Reimbursement of eligible costs declared by beneficiaries are based on a lump sum (several lump sums could be combined to cover different activities and to contribute to the total amount of the project). The maximum total budget per project is of EUR 100.000 and there are three typologies of actions that could be granted: a) Preparation cost; b) Workshop, seminars and conferences; c) Incoming missions & B2B meetings.

5.4 SUPPORT TO BENEFICIARIES



The support by the Interreg Italy-Albania-Montenegro programme bodies to beneficiaries during project implementation is provided both at programme and national level.

At programme level, a set of documents and tools are made available through the Programme website to support potential beneficiaries:

- Legal documents: Implementation Manual, Subsidy Contract, Partnership agreement, financial guarantee for private partners.
- Reporting documents: Guidelines for the submission of the Partner Report via eMS, timesheet template, Description of Staff Activities, Declaration of Lead and Project Partners, Annex to the project progress report LP seminars.
- Visibility guidelines (communication): Programme logo and brand, Visual identity, etc.
- Support to FLCs: FLC manual and check lists provided to FLCs in all partner states and including rules and procedures on the eligibility and verification of expenses at national level.

Furthermore, consultation meetings and Lead Partner seminars are organised by the Programme after the approval of projects under each Call. Lead Partner seminars, in particular, serve also as support to the

⁸ SWECO (2010) Regional governance in the context of globalisation - reviewing governance mechanisms & administrative costs. Administrative workload and costs for Member State public authorities of the implementation of ERDF and Cohesion Fund, DG Regional Policy. SWECO (2017) Study on the use of new provisions on simplification during the early implementation phase of ESIF. SWECO/t33 (2012) Measuring the impact of changing regulatory requirements to administrative cost and administrative burden of managing EU Structural Funds', DG Regional Policy.

negotiation process occurring after the approval of projects, i.e., the revision of the applications according to Programme requests.



At national level, support to beneficiaries is provided by the NIP via e-mail and phone. The interviews to FLCs allowed to collect information on the main activities carried out at national level to support beneficiaries as well as to identify the issues emerging from partner states with regard to project implementation.

Table 7 - Main activities carried out at national level to support beneficiaries, main requests and issues identified

Partner State	Main activities carried out	Main requests for support from beneficiaries
Albania	Support via e-mail, phone or face-to-face meetings with beneficiaries upon request, workshops.	Reporting of activities and expenditure Pre-financing and reimbursement issues (lack of cashflow) Eligibility of expenditure Public procurement
Montenegro	Support via e-mail, phone or face-to-face meetings with beneficiaries upon request, workshops.	Interpretation of the eligibility of expenses

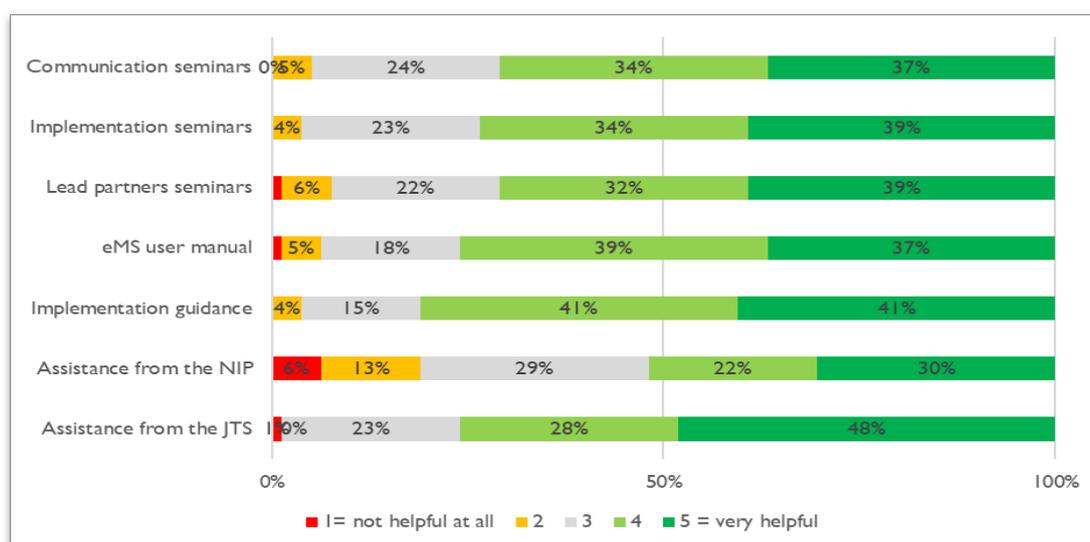
When asking JMC members regarding their perception of the support provided to beneficiaries in their country, they expressed high satisfaction with the activities carried out and the support provided by the NIPs.



The web survey to project beneficiaries allowed to collect information on the beneficiaries' perception regarding the support provided by the Programme during project implementation and the main difficulties encountered.

In general, data from the survey reveal that beneficiaries appreciate the tools and support provided. As illustrated by the figure below, over 70% of respondents consider the assistance from the JS "helpful" or "very helpful", as well as support provided through implementation guidance, eMS user manual, LP seminars, implementation and communication seminars. Slightly lower, but still over 50%, is the percentage of respondents showing to strongly appreciate the assistance from the NIP.

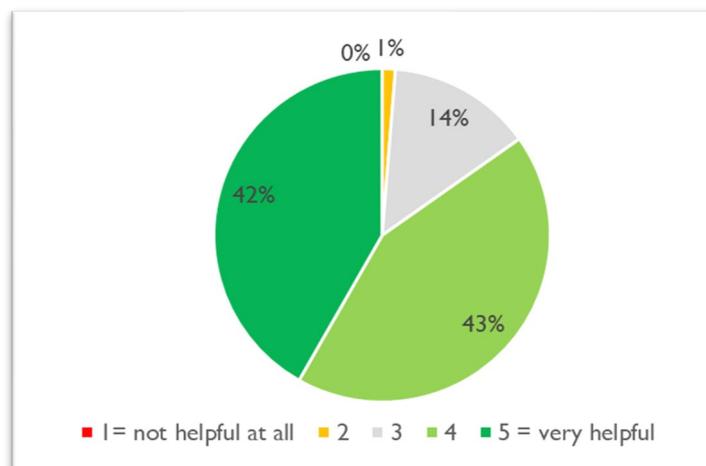
Figure 4 To what extent are the following tools/activities helpful during project implementation? (1=not helpful at all, 5=very helpful)



Source: web survey to beneficiaries (2021)

Despite the delays that have often characterised the certification process (see section 1.2.1), it is interesting to note that 85% of respondents consider “helpful” or “very helpful” the information provided by the Programme with reference to the rules on eligibility of expenditures.

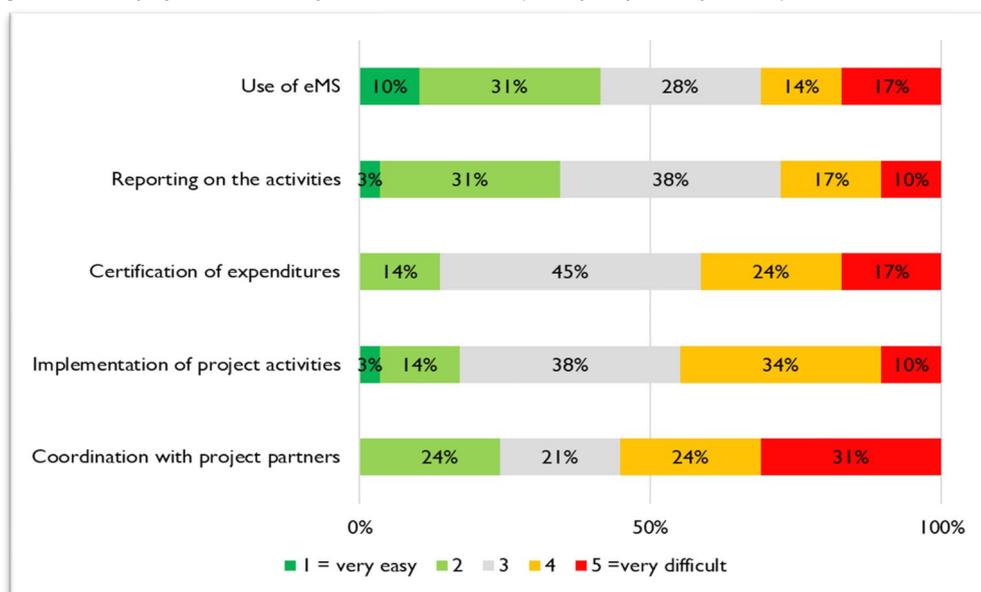
Figure 5 Information provided by the programme helpful with reference to the rules on eligibility of expenditures? (1=not helpful at all, 5= very helpful)



Source: web survey to beneficiaries (2021)

The web survey also allowed to investigate the perception of the beneficiaries on the most challenging types of activities. As illustrated by the figure below, all the activities mentioned in the question can be considered as a potential source of difficulties for the beneficiaries, as it is proved by the fact that only a minority of respondents consider them as “easy” or “very easy” to be carried out. The coordination with project partners generally represents the most difficult part of the project. Interesting also to note that eMS is considered as difficult to use (only) by the 30% of respondents and that, despite the already mentioned problems in the certification flow, the activities related to the certification of expenditure are less difficult than others.

Figure 6 Which project activities do you find most difficult? (1=very easy, 5=very difficult)



Source: web survey to beneficiaries (2021)

5.5 INVOLVEMENT OF RELEVANT STAKEHOLDERS



According to Section 5.7.1 of the CP, the involvement of relevant partners in the implementation of the Interreg Italy-Albania-Montenegro Programme is organised to:

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

The JMC, representing the programme partners, has a steering and deciding role as regards the development and implementation of the evaluation plan. It examines and approves the evaluation plan and any of its amendments (article 110 (2) of CPR). The JMC reviews the plan on a regular basis and at least annually, in view of ensuring that the emerging needs in terms of evaluation activities are reflected in the plan. The JMC also examines the progress made in the implementation of the plan and the follow-up given to the findings of the evaluations (article 110 (1) (b) CPR).

The table below illustrates the composition of the JMC.

Table 8 - Members of the Joint Monitoring Committee

Country	Institution/Function
ITALY	Ministry of Foreign Affairs and International Cooperation
	Presidency of the Council of Ministers - Department for Cohesion Policies
	Agency for Territorial Cohesion
	Puglia Region
	Molise Region
	Ministry of Economy and Finance-IGRUE/ National Treasury
ALBANIA	Ministry for Europe and Foreign Affairs
	Albanian Development Fund
	Albanian Embassy in Italy
	Ministry of Culture
MONTENEGRO	Government of Montenegro - Prime Minister's Office - European Integration Office
	Ministry of Sustainable Development and Tourism
	Ministry of Transport and Maritime Affairs
	Ministry of Economy
	Union of Municipalities

In line with the “European code of conduct on partnership in the framework of the European Structural and Investment Funds” (article 16 (1) of Commission Delegated Regulation (EU) No 240/2014) and in view of supporting the JMC, the Programme agreed to establish a steering group (SG) which represents the programme stakeholders and allows their participation in Programme implementation.



The interviews to programme bodies, JMC members in particular, indicate an overall satisfaction with the Programme representation mechanism. According to JMC members, no major issues have arisen with regard to involvement of stakeholders. However, some rooms for improvement still exists, in particular as regards the involvement of the civil society in the decision-making process. As it is the case of other IPA Programmes, representative of civil society could be more effectively involved (e.g. in Albania, there is a national agency that coordinates most of the civil society organisations).

6 Project selection procedures

This chapter assesses the efficiency and effectiveness of the processes for project selection.

6.1 RULES AND DECISION-MAKING FOR THE SUBMISSION AND SELECTION OF APPLICATIONS



In the Italy-Albania-Montenegro programme, the assessment procedure as well as the guiding principles for the selection of operations are firstly outlined in Section 2 of the CP. These include:

- **Strategic coherence:** selected projects should be coherent and contribute to the relevant Programme's specific objective, while addressing in a coherent way the achievement of the Programme's specific results envisaged (e.g. the relevance, coherence and contribution of each project proposal to the SO, the contribution to the envisaged results per IP; the added value of transnational cooperation; the relevance and coherence of the project with the EUSAIR strategy and other relevant EU strategies and or policies).
- **Operational quality:** project applications should be clear and coherent with the operational objectives, activities and means, feasibility, efficiency, communication of the project and its specific results (e.g. the adequacy of the management provisions in terms of structures, procedures and competences; the quality and effectiveness of communication provisions; the quality of the Work Plan in relation to clarity and coherence of the operational objectives, activities and means, feasibility, efficiency of the project and its results, etc.).
- **Compliance to the Cross-cutting thematic Priorities:** Project proposals are assessed against their coherence with specific thematic priorities (e.g. i. promoting local and regional governance and enhancing the planning and administrative capacity of local and regional authorities; ii. strengthening research, technological development, innovation and information and communication technologies)
- **Compliance to the horizontal principles:** coherence and contribution of each project application to the Programme's horizontal principles (in accordance with Articles 5, 7, 8, of EU Regulation 1303/2013)

The detailed assessment criteria are adopted by the JMC and are available for potential applicants in the calls for proposals' documentation.

The approval of the selection criteria for each call for proposals and the final decision on the list of projects to be financed is under the responsibility of the JMC; however, the selection process implies multiple phases with the involvement of different actors (JS and NIPs in particular).

As outlined in the Programme Manual made available to applicants in the project website, the application is coordinated by the MA and performed by the JS, with the support of the NIPs.

Project proposals are assessed according to a set of criteria and sub-criteria (eligibility and quality) elaborated by the MA/JS and approved by the JMC. This document is provided in the application package so as to ensure the full transparency of the selection process. The main stages of the selection process are described below.

Eligibility check

This check is aimed at ensuring the minimum project requirements. Only those applications which successfully pass these checks are allowed to progress in the selection process. The verification of the presence of all the requirements is performed by the JS (with the support of the NIPs in charge of verifying the correctness of the applicants' legal status) through the filling-in of a check list containing the eligibility criteria according to

the four-eye principle, i.e., the double independent verification of each received application by two JS members (two officers for P.A. 1 and 4, two officers for P.A. 2 and 3).

Applicants can be contacted by their NIPs for the submission of further documentation to confirm their declarations or other formal statements included in the AF.

Quality assessment

This assessment aims to provide the JMC with all the relevant information on the quality of project proposals to allow their approval or rejection. The quality assessment is performed by the JS (according to the above-mentioned four-eye principle) in cooperation with the Albanian and Montenegrin National Info Point. The NIPs, in particular, focus their assessment on the compliance of the project with the own national and regional strategies, with the territorial needs and the financial and managerial capacity of the partners involved.

The quality assessment criteria are divided into three groups:

- Strategic assessment criteria - whose main aim is to determine the extent of the project contribution to the achievement of programme objectives. The main appraisal criteria are: project context (relevance and strategy), cooperation character, partnership relevance; project contribution to programme objectives.
- Operational assessment criteria - whose main aim is to assess the viability and the feasibility of the proposed project, its value for money in terms of resources used compared to foreseen achievements. The main appraisal criteria are: management, communication, work plan, budget.
- Sustainable criteria – whose main aim is to assess the sustainability, durability and transferability of the proposal and the compliance with the horizontal principles.

Results of the selection process

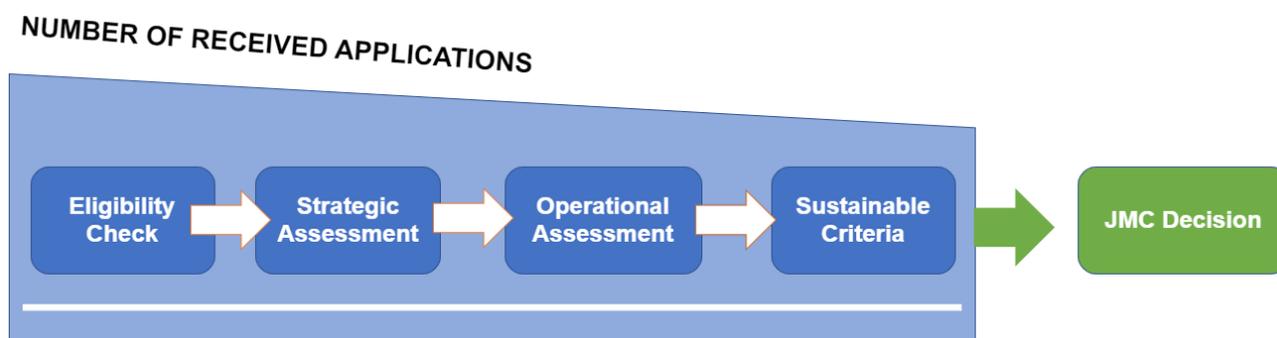
The results of the assessment are reported in a project assessment grid prepared by the JS to support the final JMC decision on the selection of operations. The score grid is shared with Joint Steering Committee (composed by national and territorial representatives, e.g. public officers belonging to a specific ministry or regional administrations). The Joint Steering Committee is a decision-making body consultative function, i.e. with the specific task to confirm the compliance of the projects with the territorial needs and the national strategies, as well as the relevance of the partnerships, in order to formulate a proposal for decision for the Joint Monitoring Committee.

The Joint Steering Committee can confirm (or not) the technical assessment by the JS and the NIPs, while at the same time suggesting minor changes to the JMC, based on major territorial impacts expected from some project activities.

The JMC then approves the score grid, taking into account both the technical advice of the JS/NIPs and the policy advice of the Joint Steering Committee. As a result, the resulting score and the indication that projects at the top of the score grid may be financed as long as budget is made available.

The figure below summarises the various steps leading to the final decision of the MC.

Figure 7 – Interreg Italy-Albania-Montenegro project selection process



In addition, the Terms of Reference (ToR) of each Call describe the main requirements for the submission and selection of project proposals, in particular:

- Partnership requirements
- Eligibility of applicants
- Programme objectives and priorities covered by the Call
- Available budget per Priority Axis (PA) and envisaged project size
- Co-financing rate
- Project duration
- Selection process (summary)
- Time schedule and submission deadline

 The interviews to programme bodies, the JS and JMC members in particular, indicate an overall satisfaction with the rules and decision-making process set by the Programme for the selection of operations. According to JMC members, no major issues have arisen with regard to the quality of the application and selection criteria and the supporting documents (e.g. ToR, Programme Manual).

6.2 PERFORMANCE OF CALLS AND COHERENCE OF THE SELECTION WITH PROGRAMME EXPECTATIONS (COVERAGE BY AXIS/SO/TERRITORIES)

 The Italy-Albania-Montenegro Programme has launched three calls for proposals: the 1st call for standard projects, the 2nd call on targeted projects (including also small-scale projects) and a Thematic call for proposal.

As already anticipated in the previous chapter, despite the two-year delay from the approval of the Programme to the contracting of the JS staff, the Programme launched its first call for proposal in the first semester of 2017 and until mid-2019, all calls have been closed and the budget was fully committed.

The table below illustrates the performance of the first two calls for proposals (bearing in mind that the selection of the call for Thematic projects has not been considered since it has been implemented with a

different approach) in terms of number of applications received, eligibility and approval rate and time needed to complete the assessment⁹.

Table 9 - Application data per Call (eligibility and approval rate)

Call	Indicator	Total
1st call for standard project	Number of applications received	190
	Eligible	137
	Eligibility rate	72%
	Approved projects	32
	Approval rate (received/approved)	17%
	Time needed to complete the assessment	196 days
	JS staff involved in the selection	4 project officers + 2 NIPS
2nd call for targeted projects + small scale projects	Number of applications received	113
	Eligible	93
	Eligibility rate	82%
	Approved projects	32
	Approval rate (received/approved)	28%
	Time needed to complete the assessment	182 days
	JS staff involved in the selection	4 project officers + 2 NIPS

The first call for proposals launched in March 2017 saw the participation of a large number of applicants, with a total of 190 applications received. Only 28% of applications has been rejected after the eligibility control. Among the latter, 5 project proposals have been rejected since they arrived after the deadline for the submission of the proposals. Among the remaining 185 proposals, 26 have been excluded for major errors while for 125 proposals the JS asked for additional information/integration. After the verification of the integration, 53 proposals have been definitively rejected.

These numbers show that, as also confirmed by beneficiaries, the supporting activities provided by the JS and the NIPs during the application phase (workshops, face to face meetings, emails exchanges) have been effective in producing eligible applications. Additionally, the interview with the JS and JMC members confirmed the good quality of the proposals assessed.

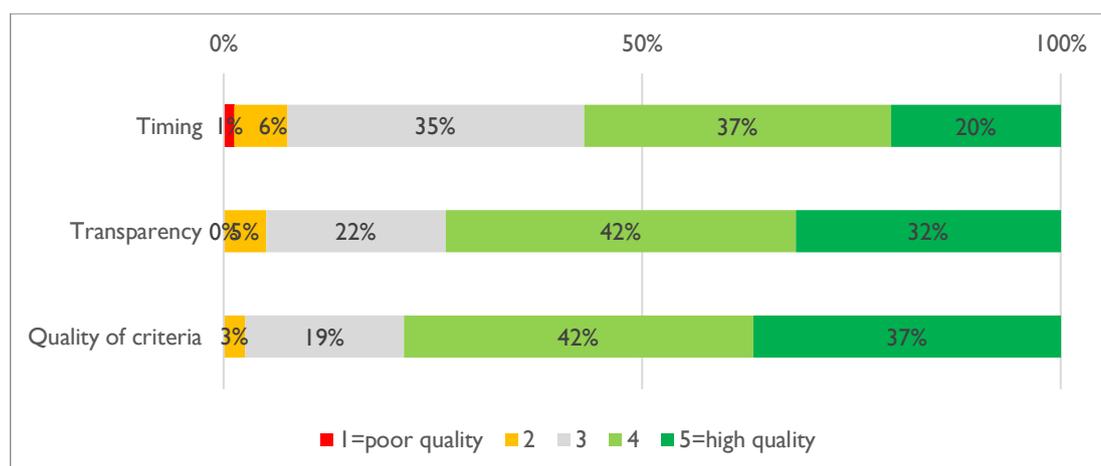
Nonetheless, the Programme adopted measures to mitigate the risk of incurring in error in filling in the AF, by providing additional trainings, workshop sessions and support to potential beneficiaries of the future calls. The success of these measures is illustrated in the table above. Indeed, the eligibility rate of Call 2 is ten points higher than the eligibility rate of Call 1, demonstrating an even better capacity of project applicants to submit eligible project proposals.

As regards the applicant's localisation, the high recurrence of applicants from the same country/region (most of applicants come from Italy – 70%) led to the questioning of the actual interest of Albanian and Montenegrin applicants in the Programme (e.g. applicants from Montenegro in both calls are only the 7% of the total).

 When investigating the perception of beneficiaries regarding the selection process, this is considered of good quality. Indeed, all aspects of the process are very positively perceived, i.e. high quality for 37% of respondents and good for 42% when it comes to the quality of the selection criteria, with similar data emerging regarding the transparency of the process. Timing (i.e. duration of the process) is considered of good / high quality for more than a half of the respondents.

⁹ From the deadline for the submission of project proposals to the date of the approval of the final list of projects.

Figure 8 - Quality of the selection process (1=poor; 5=excellent)



Source: web survey to beneficiaries (2021)



The first call for proposal was characterised by a concentration of project proposals submitted under PA 2. This is due to the two SOs included in this PA, which seem to be the most appealing for the programme area. Moreover, the initial budget foreseen for this PA (and also for PA1) has been increased with a specific amendment approved by the JMC (+ 1 664 445 Euro for PA 1 and +4 122 222 euro for PA2).

In view of the elaboration of the future Calls for proposals, the Programme conducted an in-depth analysis of the outcome of the first Call, including a gap analysis of funded operations. The analysis of target outputs of approved projects against the planned outputs under each PA (as per CP) as well as the indicative actions covered by approved operations allowed the Programme to formulate conclusions and to structure the future Calls planned. In particular, the underrepresentation of certain programme output objectives and the underrepresentation of small associations, NGOs, local communities, etc, led to the decision by the Programme to launch the targeted call.

The targeted call for proposals is targeted to specific topics which have been addressed in the adopted Cooperation Programme, but they have not been tackled, or not sufficiently tackled, by the first call for standard projects and by the thematic projects. In this sense, the call represents a strategic and key call for the purpose of achieving the programme objectives.

The targeted call for proposal focused on specific topics and additional scores have been given to those project proposals which plan concrete and precise capitalisation actions and those having objectives and activities, which are explicitly foreseen in the EUSAIR action plan. Additionally, applicants of the second call for proposal could decide to apply for a targeted 'standard project' or for 'small-scale project'. Indeed, following the results of the above-mentioned first call gap analysis (i.e. underrepresentation of small associations, NGOs, local communities), the Programme opted for the introduction of small-scale projects with the aim of contribute to simplification for beneficiaries, especially the small organisations.

The introduction of small-scale projects is also in line with the aim of the Programme to test innovative financing options, also in compliance with the proposals for regulations 2021-2027 issued by the European Commission (see ETC Regulation, Small Project Fund).

Small-scale projects foresee the use of simplified cost options (SCOs). The dedicated small-scale projects grants took the form of reimbursement of eligible costs declared by beneficiaries based on a lump sum (several lump sums could be combined to cover different activities, and to contribute to the total amount of the project).

The maximum total budget per project is of EUR 100.000 and there are three typologies of actions that could be granted: a) Preparation cost; b) Workshop, seminars and conferences; c) Incoming missions & B2B meetings.



The interviews to programme bodies, the JS and JMC members in particular, indicate an overall satisfaction with the introduction of this type of projects, which have seen a widespread interest among applicants. However, the performances of these projects are not satisfying, especially because of the outbreak of the Covid-19 pandemic that is still hampering project activities.



As regards the Thematic call for proposal, JMC agreed on 2017 the methodology for thematic project selection. On the basis of the approved methodology, the Programme selected the following topics for thematic projects.

Table 10 – Thematic project selection

S.O.	Topic	Selected partners
1.1	Telemedicine for SMEs	Lead: Polyclinic of Bari (Puglia, IT) Partners: Polyclinic of Foggia (Puglia), Puglia Region – Health Department (Associated partner), Molise Region (Actual partner TBC) Ministry of Health of Albania, Ministry of Health of Montenegro.
1.1	Internationalisation/governance for SMEs	Lead: Ministry of Economy of Montenegro Partners: Ministry for Europe and Foreign Affairs of Albania, Regione Puglia (International Policies Coordination), Regione Molise (competent Dept.), Office for European Integration of Montenegro.
1.1	Agro-food for SMEs	Lead: Ministry of Agriculture and Rural Development – Albania Partners: Regional Development Agency n. 3 – Albania, Regional Development Agency n. 4 – Albania, International Centre for Advanced Mediterranean Agronomic Studies - Mediterranean Agronomic Institute of Bari), Puglia Region - General Secretariat of the Presidency “Health Market Place” , Molise Region, Ministry of Agriculture and Rural Development Montenegro.
2.1	Tourism	Lead: Albanian Ministry of Tourism and Environment Partners: Montenegrin Ministry for Tourism and Sustainable Development, Regione Puglia (Tourism, Economy of Culture and Territorial valorisation Department), Regione Molise.
2.2	Culture	Lead: Montenegrin Ministry of Culture Partners: Ministry of Culture of Albania, Institute of Monuments of Culture of Albania, National Centre of Cinematography, “Alba Film Studio” , Regione Puglia (Tourism, Economy of Culture and Territorial valorisation Department), Puglian Public Theatre, Regione Molise (competent Dept.)
3.1	Risk management and civil protection	Lead: Regione Molise (Civil Protection Dept.) Partners: Ministry of Defence of Albania/Civil Emergencies Department, Montenegrin Ministry of Interior, Head of Division for Emergency Situation, Regione Puglia (Civil Protection Unit)
3.1	Water management	Lead: Regione Puglia (Agriculture Department, Water Resources Unit) Partners: Municipality of Tirana, Water Supply and Sewerage Enterprise of Tirana (UKT), Montenegrin Ministry of Agriculture and Rural Development, Puglian Public Aqueduct, Regione Molise (competent Dept.)
4.1	Transport	Lead: Albanian Development Fund Partners: Montenegrin Ministry of Transport and Maritime Affairs, Puglia Region (Mobility, Urban quality, public works, ecology and landscape), Regione Molise (competent Dept.)

Thematic projects have a maximum amount of EUR 7 million and a duration of a maximum of 48 months. The Programme selected the public authorities listed in the table above, who have the competence for the selected topics, according to a provision of national law or regulatory legal act, as well as sufficient financial and managerial capacity to be thematic project partners.

As anticipated in the previous sub-chapter, these projects are facing several delays in their implementation.

6.3 SUPPORT TO APPLICANTS



The support by the Italy-Albania-Montenegro programme bodies to applicants before and during project preparation is provided both at central and national level.

At programme level, a set of documents, tools and activities have been set up to support potential applicants:

- An Application Package published on the Programme website at the launch of each Call which includes the ToR (Call announcement), applicants manual, structure of the AF, templates of supporting documents (along with contacts for technical support)
- Seminars for applicants at programme level (to support, but also to attract applicants):
 - o Call 1: three info-days in Lecce, Campobasso and Podgorica in 2017
 - o Call 2: four info-days in Bari, Campobasso, Podgorica and Tirana in 2019
- Individual consultations with Lead Applicants on the development of project ideas (support on technical issues, communication and finance) via videoconference, email or at JS premises

At national level, the support to applicants is mainly provided by NIPs. In both Albania and Montenegro, Info Days and workshops are organised. These events have the double objective of attracting potential applicants to the programme and to provide a first set of information on the application process, in particular regarding the main objectives and operations covered by the Call, the eligible partners and the financial aspects to be considered when preparing the project proposal.



The interviews to NIPs allowed to collect information on the events and daily activities carried out to support applicants. In both Albania and Montenegro, the organisation of Info Days and the support via e-mail and phone were cited as the main tools to fulfil this task. The table below illustrates the main activities carried out in the two IPA countries.

Table 11 - List of main activities carried out at national level by NIPs to support applicants

Partner State	Main activities carried out
Albania	Support to applicants via phone, e-mail and face-to-face meetings; organisation of Info Days. Additional support to applicants in their partner search
Montenegro	Support to applicants via phone, e-mail and face-to-face meetings; organisation of Info Days, seminars and trainings for potential applicants. Additional support to applicants in their partner search

As concerns the requests for support coming from applicants, the interviews to NIPs seem to show that these can vary according to the experience and intensity of ETC programmes of each partner state, i.e. partner states with a longer experience with ETC and where there is a greater presence of CBC and transnational programmes tend to need less support (in the application as well as the implementation phase).

In general, most of the support requested by applicants concerns the national co-financing and the official documentation needed for applying to the calls. In Albania in particular, it has been noticed that local public

authorities have encountered more difficulties in the application process. According to the NIP, almost the 85% of the application submitted lacks the necessary documentation/information.

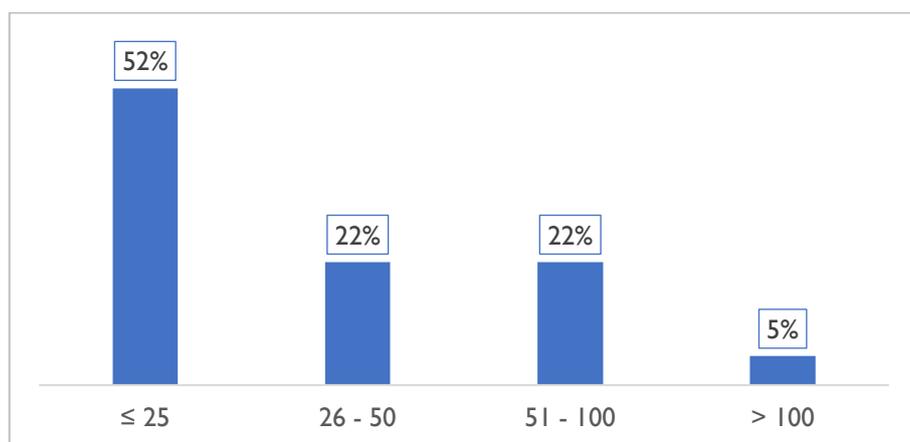
When asking JMC members regarding their perception of the support provided to applicants in their country, all of them expressed high satisfaction with the activities carried out and the support provided.



The web survey allows to integrate the information collected through desk analysis and interviews with the perception and first-hand experience of beneficiaries regarding the application process and the support received.

As concerns the preparation of AF from conception to submission, more than half of respondents indicate this took less than 25 person-days, with a further 22% declaring between 26-50 person-days were needed to complete the AF. Very few respondents reported a number of person-days higher than 100.

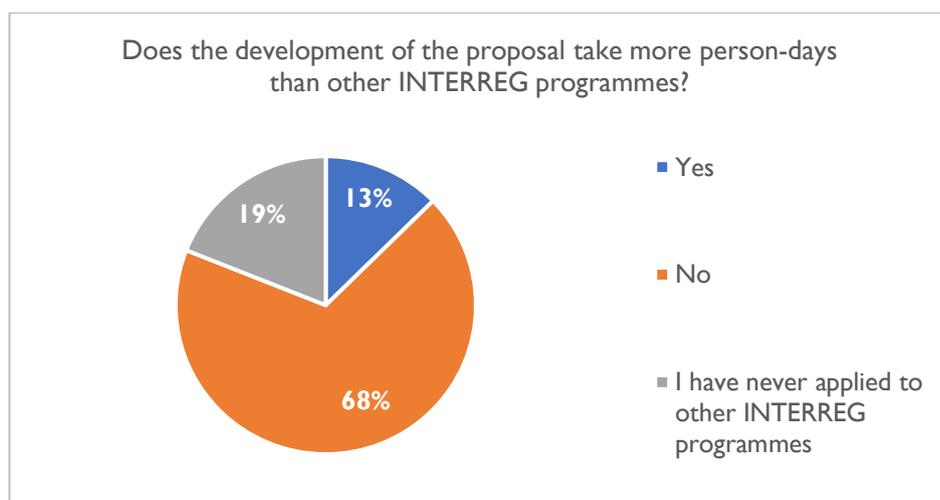
Figure 9 - Number of person-days for the preparation of the Application Form from conception to submission



Source: web survey to beneficiaries (2021)

As part of a separate question, 68% of respondents who have applied to other Interreg programmes stated that the preparation of the AF for Interreg Italy-Albania-Montenegro did not take more person-days than in other programmes.

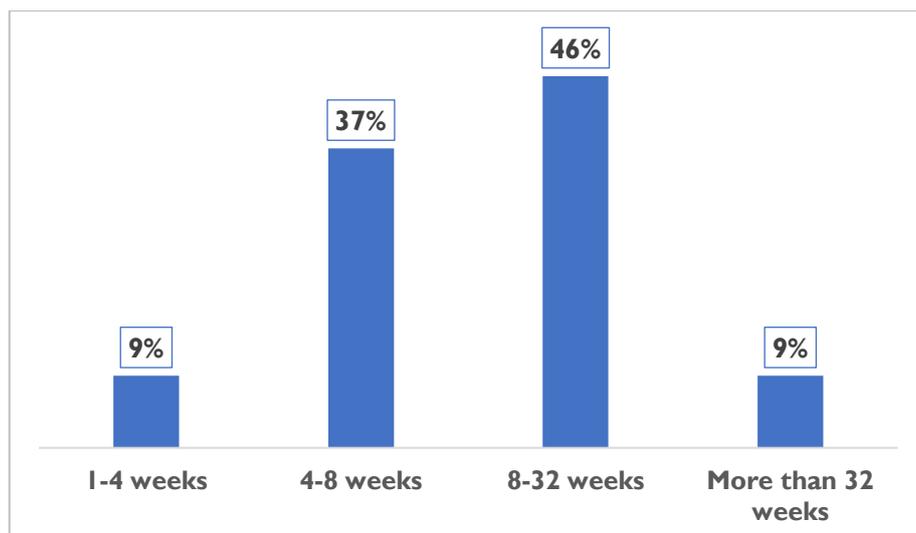
Figure 10 – Time needed to prepare the proposal – comparison with other Interreg Programmes



Source: web survey to beneficiaries (2021)

In terms of project development, including partnership meetings, drafting of the project idea and submission of the AF, the 46% of respondents declared to have needed between 8-32 weeks, while it took between 4-8 weeks for another 37%. Only 9% affirmed they needed more than 32 weeks.

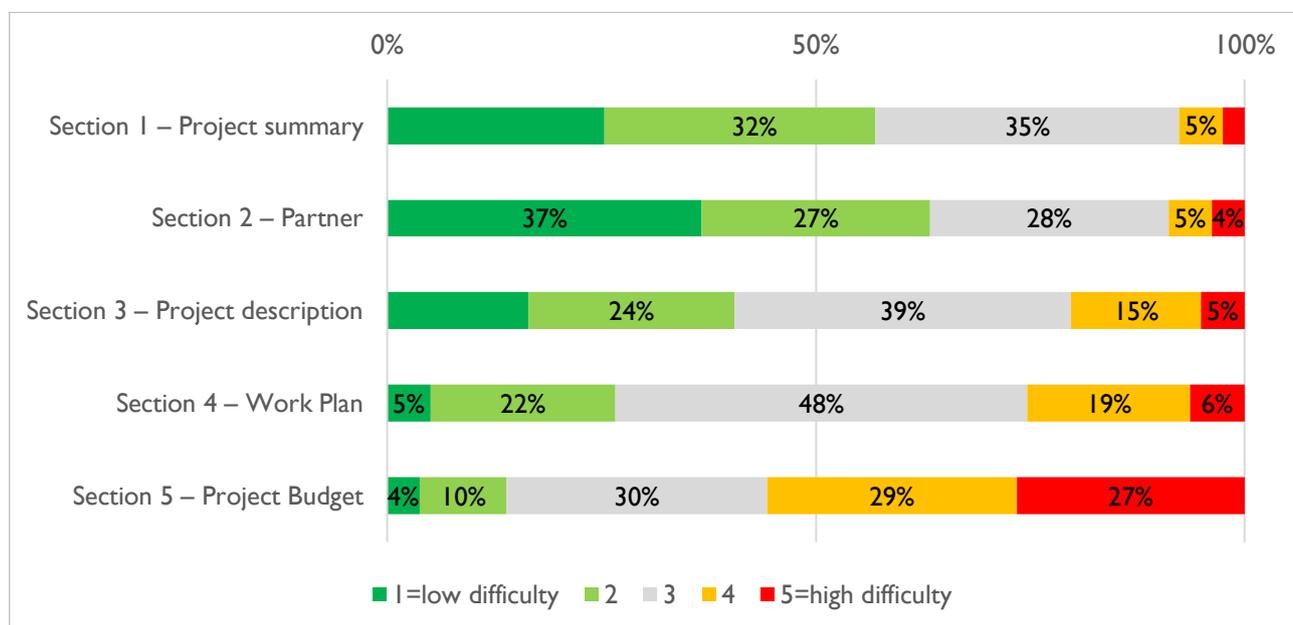
Figure 11 Time needed for project development (including partnership meetings, drafting, submission)



Source: web survey to beneficiaries (2021)

When asked to evaluate the difficulty of filling the different sections of the AF on a scale from 1 to 5, the outcome of the survey indicates that respondents find the section on the project budget the most difficult to complete, with 56% considering it difficult or very difficult. The elaboration of the Work Plan and the project description are also among the hardest sections according to respondents, respectively with 25% and 20% considering them difficult or very difficult. On the other hand, the project summary and the partners section are perceived as the easiest with more than half of respondent considering them easy or very easy.

Figure 12 - Difficulty in correctly filling the sections of the Application Form (1=very easy; 5=very difficult)

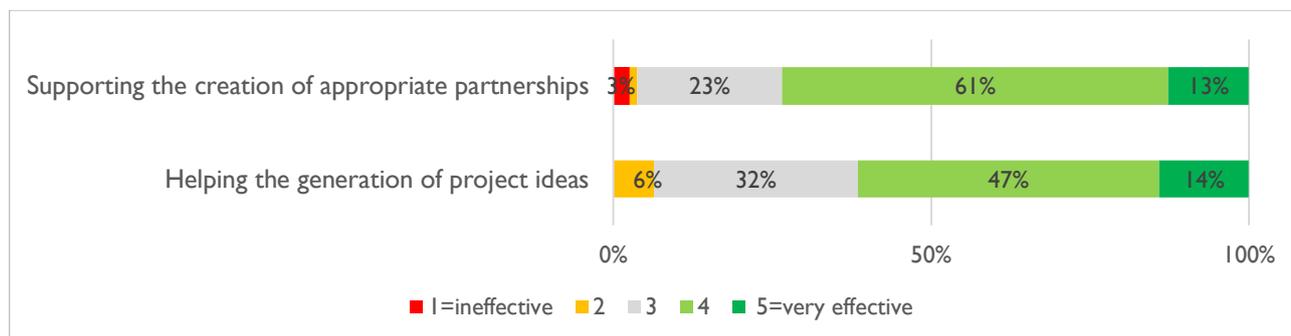


Source: web survey to beneficiaries (2021)

Moving to the perception of applicants of the support received from the Programme, 74% of respondents declare the events organised at central and national level have been helpful or very helpful in supporting the creation of appropriate partnerships, with another 23% having a more neutral perception. Only 4% believe such events have not been very helpful, or not helpful at all. Similarly, these events have played an effective

role in helping the generation of project ideas for 61% of respondents, with 32% declaring they have been moderately helpful.

Figure 13 - Quality of the support provided through programme communication events



Source: web survey to beneficiaries (2021)

As concerns the support provided by the Programme at central and national level during project development, approximately 60% of respondents requested support from programme bodies. In general, beneficiaries refer to JS (35% of respondents, 53% in case of Italian beneficiaries); in case of Albania and Montenegro more than one third of respondents declare to usually request support from national authorities. In case of Montenegro it is interesting to note that half of respondents declare to have requested support from the NIP during the application phase.

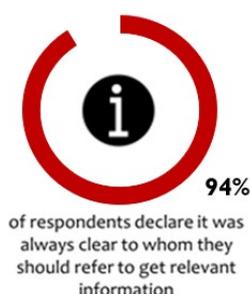


Table 12 During the development of your proposal, did you request support from the Programme bodies?

	No	Yes
Albania	52%	48%
Montenegro	53%	47%
Italy	64%	36%
TOT	58%	42%

Source: web survey to beneficiaries (2021)

Table 13 From which programme body?

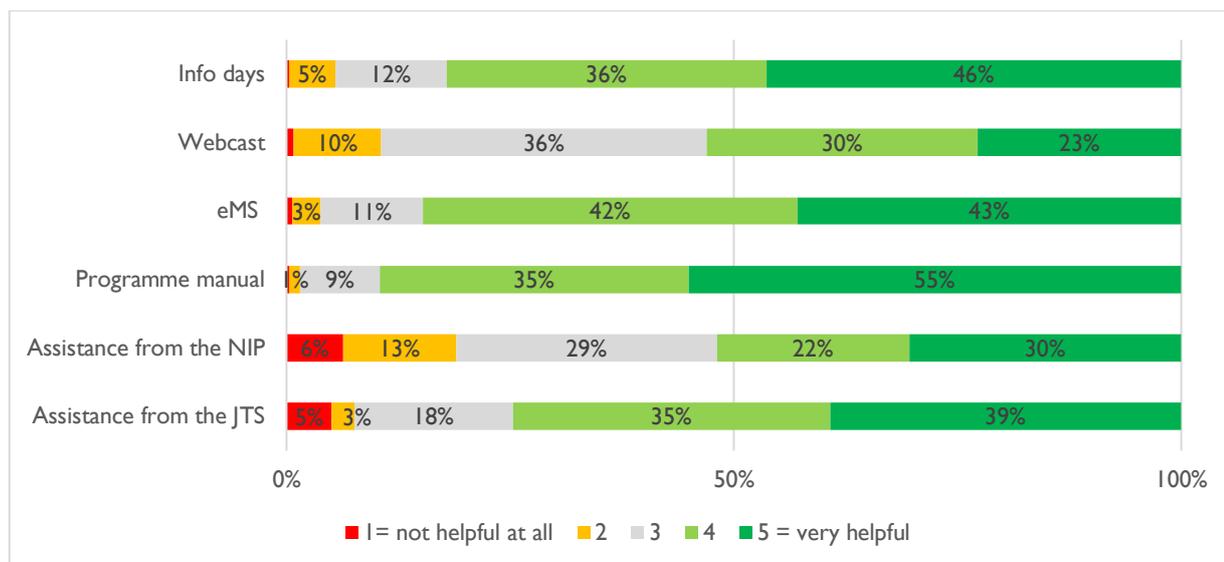
	National Authority	MA	National Info Point	JS
Albania	35%	12%	18%	35%
Montenegro	36%	0%	50%	14%
Italy	6%	18%	24%*	53%
TOT	25%	10%	29%	35%

Source: web survey to beneficiaries (2021)

* No official NIP has been set up in Italy. Beneficiaries referred to regional institutions involved in the Programme

Respondents were also invited to evaluate the quality of various types of support provided during the selection process. The highest scores were attributed to the Interreg Italy-Albania-Montenegro Programme Manual, considered of very good or excellent support by 90% of respondents, followed by the eMS technical guidance (85%) and the Info days (82%). Direct assistance from the JS received a very positive judgment by 74% of respondent, with an additional 18% giving a neutral score. Webcasts, although generally appreciated by most respondents, received the most negative reviews with 47% of respondents considering them of poor or modest quality.

Figure 14 - Quality of support during the application process (1= poor; 5=excellent)



Source: web survey to beneficiaries (2021)

7 Analysis of the monitoring system and of the performance framework

This chapter assesses the relevance and effectiveness of the monitoring system and analyses the progress with respect to the targets set out in the performance framework.

7.1 RELEVANCE AND EFFECTIVENESS OF THE MONITORING SYSTEM



In compliance with Article 27(4) of EU Regulation 1303/2013 (CPR), the Programme has “set out indicators and corresponding targets expressed in qualitative and quantitative terms (...) in order to assess progress in Programme implementation aimed at achievement of objectives as the basis for monitoring, evaluation and review of performance.” These indicators include:

- Financial indicators relating to the allocated expenditure.
- Output indicators directly linked to the measures and operations.
- Programme result indicators which capture the expected change in the Programme area.

Furthermore, the Programme selected common output indicators as laid down by the Fund-specific rules.

The desk analysis of Programme documents and the interviews to JMC Members and the JS suggest the current result and output indicators are able to capture the results produced by the projects in the territories. However, according to the information collected during the case study interviews, beneficiaries faced some problems in monitoring programme indicators. In some cases, the methodology adopted for collecting the information is not clear. Beneficiaries also faced difficulties in understanding the definition of the indicator. This is the case of OI 3.1.2 “Number of users involved (in pilot or demonstration projects)” where some beneficiaries referred to users” considering the number of the project partners and not those who have been effectively involved in the pilot and/or demonstration projects. In this sense it is recommended to provide beneficiaries with adequate definitions of all programme output indicators.

Additionally, most of the selected indicators are mainly “fed” by data provided by the beneficiaries. This implies, for the programme monitoring system, the need to verify and control the data provided by the beneficiaries (see the analysis of the performance framework for additional comments).

7.2 PROGRESS TOWARDS THE TARGETS



The performance framework is an accountability tool introduced by the EU regulations to reinforce and monitor the result-orientation in programmes. It includes milestones for 2018 and targets for 2023 for a set of Programme indicators: financial indicators, key implementation steps and output indicators. This section analyses achievements towards the 2023 targets of the Interreg Italy-Albania-Montenegro Programme. The evaluators have also analysed **the progress of result indicators towards the targets** even if they are not included in the performance framework.

For the **performance framework assessment**, the evaluators have examined:

- the ratio between the total eligible expenditure certified and used for the Annual Implementation Report (AIR) and the target for each financial indicator.

- Physical performance, by analysing data from project reporting and Programme monitoring system to verify the capacity of achieving the output indicator targets.

For the **result indicators**, the evaluators conducted a desk review of the data from project reporting and the Programme monitoring system.

7.2.1 Performance framework

The performance framework is one of the tools to achieve the result-orientation of ESI Funds, intended to ensure the programmes deliver the foreseen objectives. This entails that the priorities need to be implemented as planned and the programme has to be on course to achieve its objectives, while problems should be anticipated and tackled as soon as they arise.

Before going to details of the analysis, it is worth mentioning that because of a mistake in the template for IPA CBC programmes, no performance framework was programmed in the Programme document. This implied that the performance framework has been added ex post at the end of 2018, without the background knowledge on indicators by the programme developers.

In accordance with Art. 21(1) and Annex II of EU Regulation n. 1303/2013, “*the performance framework shall consist of milestones established for each priority [...] for the year 2018 and targets established for 2023*”. In line with the result-orientation characterising programmes in the 2014-2020 period, the programme authorities chose to focus on a limited number of common and programme-specific output indicators. The table below illustrates the performance framework of the Interreg Italy-Albania-Montenegro programme. Data included in the table refers to the progress made by the Programme until December 2020. Data has been provided by the JS and included in the 2020 AIR to be submitted to the EC by mid-2021.

Table 14 - Overview of the performance framework of the Interreg Italy-Albania-Montenegro 2014-2020 Programme

PA	Type	ID	Name	Target 2023	2020	2023	Achieved 2020/ Target 2023	Expected 2023/ Target 2023
					Achieved	Expected		
1	Output	1.1.2	Number of business and research institutions involved/offering non-financial support	11	10	91	91%	827%
	Output	CO04	Number of enterprises receiving non-financial support	11	68	348	618%	3164%
	Financial indicator		Certified amount	18.541.511,00	4.466.128,33	18.509.693,02	24%	100%
2	Output	2.1.1	Number of new products, services and pilot or demonstration projects realized	4	6	76	150%	1900%
	Output	2.1.2	Number of valorised sites	4	6	34	150%	850%
	Output	2.2.2	Number of cross-border creative platforms created	4	5	18	125%	450%
	Output	CO04	Productive investment: Number of enterprises receiving non-financial support	4	0	66	0%	1650%
	Financial indicator		Certified amount	25.958.115,00	1.869.632,54	25.955.261,35	7%	100%
3	Output	3.1	Number of new products and services, pilot and demonstration projects realized	15	21	139	140%	927%
	Output	3.1.2	Number of users involved (in pilot or demonstration projects).	15	73	244	487%	1627%
	Financial indicator		Certified amount	23.176.889,00	1.006.598,94	23.015.619,01	4%	99%
4	Output	4.1.1	Number of new products, services, pilot and demonstration projects realized	4	2	36	50%	900%
	Output	4.1.2	Number of new multimodal connections for the benefit of passengers and freight	4	0	15006	0%	375150%
	Financial indicator		Certified amount	15.760.285, 00	4.418.678,79	15.561.465,37	28%	99%

Source: AIR 2020

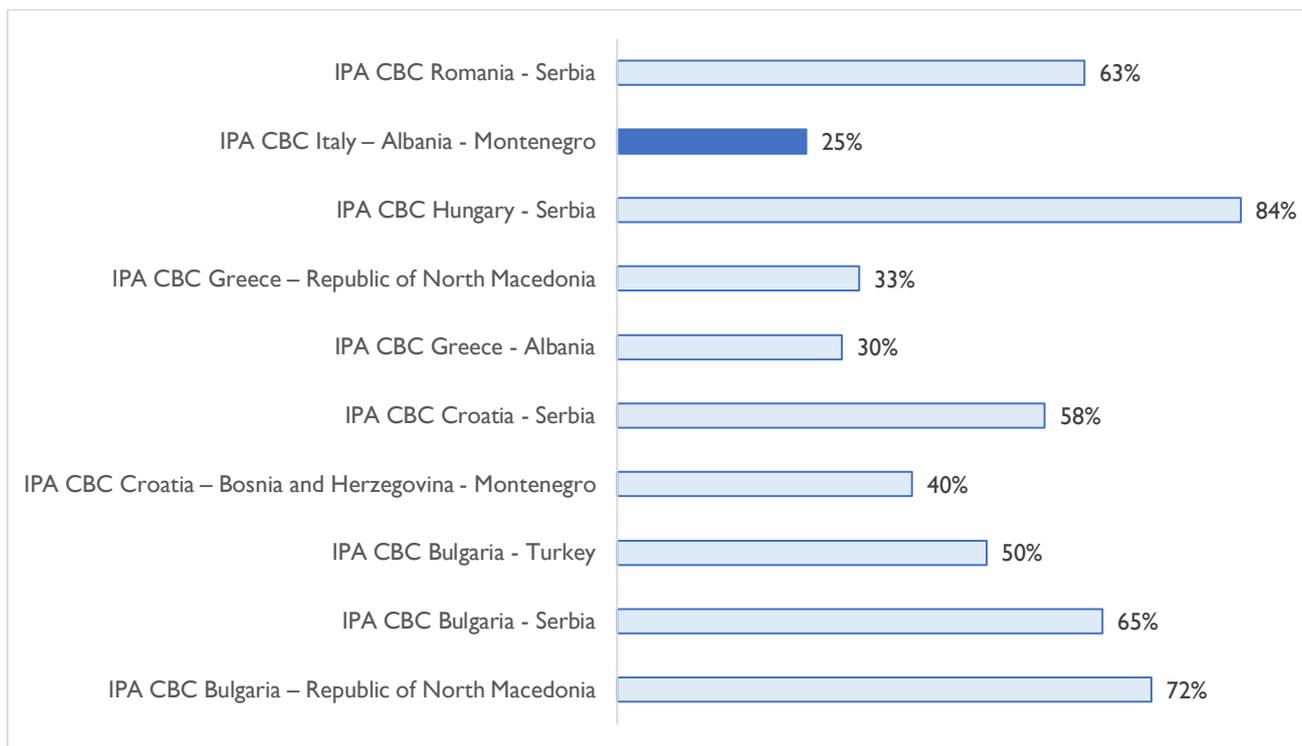
Financial performance

The initial approved targets of the programme financial indicators have been amended in 2017 based on the EC recommendations included in the observations to the Programme Annual Implementation Report 2017. Due a clerical error in the calculation bases, the pre-financing was not taken into account and the amount of the Technical Assistance was not deducted from the total decommitment targets for 2018 and 2023. Following the 13th written procedures of the JMC, the revised financial indicator targets of the performance framework have been submitted to the EC.

The analysis of the performance framework shows that financial indicators values used for the Annual Implementation Report (AIR) are far away from reaching the target set for 2023, especially in case of Priority Axes 2 and 3, where the expenditures certified and reported in the 2020 AIR are, respectively, 7% and 4% of the target. The situation is slightly better in case of PA 1 and PA 4 where the amount certified at the end of 2020 is roughly a quarter of the target value for 2023.

Cohesiondata.eu offers the possibility to compare the financial performance of the IPA CBC programmes. It is important to underline that data used by *Cohesiondata.eu* do not correspond to data used in the AIR (i.e. *Cohesiondata.eu* refers to “eligible spending” while AIR to “certified expenditure”). The figure below illustrates the ratio between eligible spending and total budget at the end of 2020. The comparison with other IPA CBC confirms the low level of financial absorption that emerges from the analysis of the data from the AIR. However, it is important to underline that the result of this comparison should be considered also in the light of the two-year delay at Programme start.

Figure 15 Financial progress (Eligible spending/Total budget): comparison with other IPA CBC (end of 2020)



Source: cohesiondata.ec.europa.eu

Physical performance

If we look at the **physical performance**, the analysis of the 2020 AIR shows a completely different picture (than the analysis of the financial indicators): except for PA 4, output indicators of all priority axis show, already in 2020, a significant overachievement compared to the targets set for 2023. Moreover, if we look at the targets set by the beneficiaries for 2023 the level of overachievement will reach even higher values (e.g. + 375150% in case of OI 4.1.2).

7.2.2 Result indicators

In compliance with Article 27(4) of EU regulation 1303/2013, the Interreg Italy-Albania-Montenegro Programme has defined at least one result indicator for each SO. Each indicator has a baseline value.

The table below illustrates the result indicators selected by the programme and the level of achievement compared to the targets for 2023.

Table 15 – Result indicators of the Interreg Italy-Albania-Montenegro 2014-2020 Programme

PA/OS	Type	Name	PF Baseline	Target 2023	2020 Achieved	Achieved/target
1/1.1	Result	Common interventions aimed to improve the cross-border framework	8	15	2	13%
2/2.1	Result	Common action Plans for the smart management of tourist destinations to be adopted by the public authorities of the Programme area	0	4	3	75%
2/2.2	Result	Cross-border networks in the cultural and creative fields	2	5	2	40%
2/2.2	Result	Cross-border agreements in the cultural and creative fields	1	3	1	33%
3/3.1	Result	Common plans enhancing and safeguarding water landscapes (including marine ones)	3	7	2	29%
3/3.2	Result	Common plans for energy efficiency and sustainable energy production	1	4	0	0%
4/4.1	Result	Agreements for cross-border passengers and freight sustainable transport systems and multimodal mobility solutions	5	7	1	14%

Source: AIR 2020

Result indicators are generally performing in line with the financial performance of the Programme. The only exceptions are result indicator 3.2 “Common plans for energy efficiency and sustainable energy production” which reported zero achievement for 2020.

In this sense, the approach adopted for setting the targets and monitoring the achievement of result indicators seem more solid and reliable than for output indicators. Nonetheless, information from the case studies shows that beneficiaries are facing difficulties in understanding how to monitor these indicators. This was also confirmed by the desk analysis of the project application forms which showed several cases of projects which confuse the definitions of outputs and results.

8 Integration with other EU instruments

This chapter assesses the mechanisms the Programme has put in place to ensure an effective coordination and synergy with other EU instruments and Programmes.

According to the Interreg Italy-Albania-Montenegro CP in the section related to coordination with other ESI Funds and EU instruments (Section 5.8 of the CP), “*Projects funded by INTERREG IPA II CBC Italy-Albania-Montenegro Programme 2014-2020 may find synergies and integration with other EU funded programmes*”.

The CP explicitly refers to coordination between projects of PA 2 and 3 with LIFE 2014-2020 Programme, i.e. that the Programme will take into consideration projects concerning environmental protection and climate change issues according to LIFE Programme priorities. It is, for instance, the case of the Blue Land project for the monitoring of biodiversity and ecosystem in selected marine coastal areas.

Additionally, the CP document also stresses the importance of ensuring coordination and synergies with funding from ERDF and EAFRD in the Italian programme territories – the Puglia and Molise regions.



Based on the desk analysis and the interviews to programme bodies, it should be noted that no formal mechanism was established at programme level to allow the operational coordination (i.e., coordination in programme implementation) among ETC programmes overlapping in the Interreg Italy-Albania-Montenegro programme area. However, there are several informal coordination tools used, such as the networks established by the Italian Government (ACT and DIPCOE), i.e. ETC strategic coordination group, Adriatic-Ionian MA/JS working group, Interact Italian national committee, as well as networks like Interact Mediterranean programme networks, Knowledge of the Sea network, South-East and Central EU ETC network, which the JS/MA participate in.

The interview to programme bodies, in particular to JMC members, indicate that very limited efforts have been made at national level to structure a more operational coordination mechanism among ETC programmes overlapping in a single partner state. In view of the next programming period, coordination with the other ETC programmes will need to be significantly strengthened. The interviews to JMC members provide insights on possible improvements for the future programming period, specifically:

- A better harmonisation of procedures of the various programmes (e.g., documentation requested from beneficiaries, coherence in the use of eMS).
- At strategic level, more complementarity in Programme strategies and in Calls for proposals.



The web survey allows to integrate the information collected through desk analysis and interviews with the information of beneficiaries regarding the synergies of their projects with other EU instruments and programmes.

When asked to indicate the synergies of their projects with the other EU instruments and programmes, respondents mainly refer to the smart specialisation strategy of their region (37%), or to Enterprise Europe Network (21%). 17% of respondents also refer to synergies with Horizon 2020 and COSME.

Table 16 – Synergies with other EU instruments and Programmes (% out of total n. of respondents)

Did your project develop any synergy with:	%
Smart specialization strategies of the partners regions	34%
Programme Horizon 2020	17%
Programme COSME	17%
Enterprise Europe Network	21%
MED Programme	0%
Governance Platform PanoraMed	3%
Bluemed Initiative	3%

Source: web survey to beneficiaries (2021)

9 Annexes

9.1 INTERVIEWS TO PROGRAMME AUTHORITIES

Table 17 – Programme authorities involved in the interviews

PROGRAMME BODIES	COUNTRY	NAME OF THE INTERVIEWEE
Managing Authority	IT	Mr. Francesco Carabellese
		Ms. Stefania De Pascalis
Joint Technical Secretariat	IT	Mr. Mauro Novello
		Ms. Aurora Maria Losacco
Joint Monitoring Committee	IT	Ms. Milena Rosa
	ALB	Ms. Xherina Haxhillari
	ALB	Ms. Brunilda Tushaj
	MT	Mr. Srdjan Četković
National Info Point	MT	Mrs. Dunja Nelevic
	ALB	Mr. Ergi Curri
	ALB	Mrs. Valbona Kosova
	IT	Dott. Gaspare Tocci
First Level Controllers	MT	Ms. Kana Tomasevic
	ALB	Mr. Lek Hakani
	IT	Mr. Giuseppe Prencipe
EC Rapporteur	-	Mr. Gilles Kittel

9.2 SELECTION OF CASE STUDIES

Table 18 – Case study selection

SO	Project name	Organisation	LP/PP	Country
1.1 Enhance the framework conditions for the development of SME's cross-border market.	BRE	Chamber of Commerce and Industry, Tirana	LP	Albania
		Inovaciono preduzetnički centar Tehnopolis	PP	Montenegro
	FILA	International Centre for Advanced Mediterranean Agronomic Studies - Mediterranean Agronomic Institute of Bari	LP	Italy
		Regional Development Agency 3 (Korçë-Elbasan-Berat)	PP	Albania
	HISTEK	Ministry of Education of Montenegro	LP	Montenegro
		Foundation ITS "Antonio Cuccovillo"	PP	Italy
2.1 Boost attractiveness of natural and cultural assets to improve a smart and sustainable economic development.	wISHfUI	Municipality of Maglie	LP	Italy
		Albanian Local Capacity Development Foundation	PP	Albania
2.2 Increase the cooperation of the relevant key actors of the area for the delivery of innovative cultural and creative products	CIRCE	Puglia Film Commission Foundation /	LP	Italy
		Film Centre of Montenegro	PP	Montenegro
	ADNICH	Royal Theatre Zetski dom	LP	Montenegro
		University of Salento	PP	Italy
3.1 Increase cross-border cooperation strategies on water landscapes	WELCOME	Univerzitet Crne Gore, Institut za biologiju mora	LP	Montenegro
		National Interuniversity Consortium for Marine Sciences	PP	Italy
3.2 Promoting innovative practices and tools to reduce carbon emission and to improve energy efficiency in public sector	REEHUB	Ministry of Infrastructure and Energy	LP	Albania
		National Energy Technological Cluster Scarl	PP	Italy
4.1 Increase coordination among relevant stakeholders to promote sustainable cross border connections in the Cooperation area	SAGOV	Cooperation and Development Institute	LP	Albania
		Puglia Region – Directory for International Policy	PP	Italy

9.3 WEB-SURVEY TO PROJECT BENEFICIARIES



On the 23rd of March 2021, the evaluators launched an online survey addressed to all project beneficiaries. Beneficiaries had been contacted by the Managing Authority and invited to reply to the questionnaire. The survey has been closed on the 3rd of May.

In total the respondents were 79, among which 37% project lead partners and 63% project partners. Almost half of the respondents were from Italy, while Albania and Montenegro are represented, respectively, with the 27% and 24% of the total respondents.

Table 19 – Details on respondents, type of beneficiary

Type of beneficiary	N.	%
Project lead partner	29	37%
Project partner	50	63%
Total	79	100%

Source: web-survey

Table 20 – Details on respondents, country coverage

Country	N.	%
Albania	21	27%
Italy	39	49%
Montenegro	19	24%
Total	79	100%

Source: web-survey

The majority of the respondents were beneficiaries of the 1st call for proposal (84%) while the remaining 16% refers to beneficiaries of the thematic projects and the last call, on targeted projects.

Table 21 – Details on respondents, calls

Call	N.	%
1 st Call for Standard Projects IPA II CBC Italy-Albania-Montenegro	65	84%
Notice for Thematic projects IPA II CBC Italy-Albania-Montenegro	10	13%
Call for Targeted projects IPA II CBC Italy-Albania-Montenegro	2	3%

Source: web-survey

According to the answers received by the project lead partners, specific objectives coverage is unbalanced. Answers refer primarily to projects belonging to specific objective 1.1 and 3.1 (8 projects under each SO). Specific objective 2.1 is covered by 6 projects, while coverage for specific objectives 2.2, 3.2 and 4.1 is limited.

Table 22 – Details on respondents, specific objectives coverage

Specific Objectives	N.
1.1 Enhance the framework conditions for the development of SMEs cross border market	8
2.1 Boost attractiveness of natural and cultural assets to improve a smart and sustainable economic development	6
2.2 Increase the cooperation of the key actors of the area for the delivery of innovative cultural and creative products	2
3.1 Increase cross border cooperation strategies on water landscapes	8
3.2 Promote innovative practices and tools to reduce carbon emission and to improve energy efficiency	3

Specific Objectives	N.
4.1 Increase coordination among relevant stakeholders to promote sustainable cross border connections in the cooperation area	2
Total	29

Source: web-survey