

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



**Interreg - IPA CBC**  
Italy - Albania - Montenegro



EUROPEAN UNION

Inputs for the 2021-2027 Programme

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t33 Srl - [www.t33.it](http://www.t33.it)  
via Calatafimi I, 60121 Ancona (Italy)  
Tel.+39 071 9715460 - Fax +39 071 9715461  
E-mail: [info@t33.it](mailto:info@t33.it)

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# I Introduction



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This report summarises the key findings of the first phase of the on-going evaluation of the Italy-Albania-Montenegro Programme (i.e., first semester of 2021). In particular, it summarises the key findings presented in the other products submitted by the evaluators at the end of May 2021 and, based on those findings, presents a set of recommendations for the future Programme.

## 2 Administrative capacity

<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- The analysis shows that human resources are adequate to ensure efficient/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, 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”). 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 programme, it is normal to have more FTE per Million EUR than the EU average for ETC programmes. 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.</li> <li>- 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’s resources (approximately 24%). In concrete terms, on the one hand the total number of FTE mobilised is higher than the EU averages, on the other the incidence of the JS costs is lower, which seems to prove that Apulia Region is taking charge of some of the costs needed for ensuring the efficient/effective implementation of the programme.</li> <li>- 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), but the Albanian and Montenegrin National Authorities, National Controllers, Group of Auditors and National Info Points, in their regulatory functions and while supporting the MA/JS, involve a significant number of staff (Albania approximately 8 and Montenegro approximately 7).</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- Considering the importance of ensuring in the programme bodies the presence of staff coming from all the territories involved, in view of the 2021-2027 period we recommend the JS/MA to consider the possibility to hire one staff from Montenegro (In compliance with the rules for residence and work permit of non-EU nationals, as well as provided that persons with the minimum skills and competences are available and interested to apply from Montenegro). If this won’t be possible, the evaluators suggested the possibility to enhance the National Info Points in Albania and Montenegro with additional tasks coordinated by the JS, acting as branch offices of the JS.</li> </ul>

### 3 Control system and measures to reduce administrative burden

<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- Time needed to carry out controls and to reimburse expenditures is generally higher than what 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 delays due to beneficiaries), but there are also rare and exceptional cases where beneficiaries were reimbursed after 2 years from the end of the reporting phase.</li> <li>- There are 2 phases which are particularly time-consuming:             <ul style="list-style-type: none"> <li>o The time needed by the PP to submit the PPR to the FLC via EMS. According to the 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.</li> <li>o Time needed to carry out controls. According to the information gathered through the interviews to the FLC, the time needed to carry out controls vary from 1 week to 1 month. According to the information collected during the interviews, in several cases controls carried out by Albanian FLC took even more. 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 reorganization of the FLC system in Albania (September 2020), which still needs to be evaluated. Regarding the specific difficulties characterising the controls carried out in Albania, problems do not depend on the lack of human resources. In this case, reasons of delays must be sought in the internal organisation of the activities of the FLC, its quality standards and on the lack of specific skills and competences at the beneficiaries.</li> </ul> </li> </ul> <p>Besides other constraints are caused by the following:</p> <ul style="list-style-type: none"> <li>o In the 2 IPA countries, many delays can be found in the difficult cash flows, i.e. capacity to anticipate funds, incurred by public as well as by private institutions</li> <li>o 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</li> </ul>
<p>Recommendations</p> 	<p>Overcoming problems related to certification and reimbursement should represent one of the key objectives of the current and future programme. This is in fact the key driver for making the Programme attractive, and for overcoming problems in financial absorption (see the analysis on the performance framework). From the evaluators' perspective the Programme (JS/MA/JMC) shall tackle the problem through a multidimensional approach:</p> <ul style="list-style-type: none"> <li>- <b>Selection of FLC</b></li> </ul>

In Italy, where the system is decentralized, to ensure that all FLC selected have adequate skills and competences, we recommend the MA/JS to define a list of “qualified” FLC to which beneficiaries should refer when selecting their FLC. Moreover, a minimum budget to carry out FLC tasks (or related SCO) as well as a unique short list should also be defined by the National Italian authority in order to prevent beneficiaries from turning to unqualified FLCs with the intention of saving resources.

In case of Albania and Montenegro, both countries must ensure the presence of qualified FLCs and an efficient organization of the controls system.

- **Training of FLC and beneficiaries**

During the current programming period Programme bodies have carried out several activities for training beneficiaries and FLC. Moreover, data collected from the survey and from interviews demonstrate that both beneficiaries and FLC are generally satisfied about the support received. However, the problems characterizing the Programme in terms of certification and reimbursement flows oblige to further investigate the effectiveness of the support provided. In view of 2021-2027 we recommend the Programme to collect additional inputs on possible needs of the stakeholders and to organize a new generation of training activities specifically focused on the concrete problems faced by the beneficiaries and the FLCs in the previous period.

- **Introduction of new SCO for covering staff costs and travel costs**

EU studies have demonstrated that SCO reduce administrative costs and errors, considering that:



- under ETC staff costs often represent the key driver of the overall operation costs;
- the flat rate basis up to 20% of the direct costs other than staff is generally perceived by ETC beneficiaries as too low to cover the real staff costs.

In preparation of the next programming period we recommend the programme to elaborate a methodology for defining programme specific SCO capable to ensure a good approximation of the real costs incurred by beneficiaries (e.g. standard scales of unit costs to cover the hourly costs of the beneficiaries). In this sense, it is important to remind that in order to have the programme specific SCO validated by the EC, 2021-2027 programme can use the option provided for in Art. 94 CPR, or the AA can be formally consulted on SCOs in an early system audit.



- **Simplification measures and financial guarantees introduction by IPA countries**

In order to reduce the bottlenecks and the gaps between activities and financial flow, the national delegations from Albania and Montenegro could introduce appropriate measures to simplify the financial flow for INTERREG beneficiaries, as well as work in the P.O.5 of the next programming period for appropriate measures to overcome the cash flow problems (capacity to anticipate costs) of all participating organizations


## 4 Support to beneficiaries


<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- 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 assistance.</li> <li>- Despite the delays that have often characterized the certification process most respondents declare to consider helpful the information provided by the Programme with reference to the rules on eligibility of expenditures.</li> <li>- In general, most of the support requested by applicants concerns the coordination with project partners</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- Reinforce trainings on certification procedures (see recommendation on the control system)</li> <li>- Reinforce interactions among project partners</li> </ul>

## 5 Involvement of relevant stakeholders


<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- An overall high satisfaction with the Programme representation mechanism has been recorded, while there have not been any major issues with stakeholders involvement.</li> <li>- Some rooms for improvement still exist, in particular as regards the involvement of the civil society in the decision-making process, in compliance with the principles of equal treatment, proportionality and avoiding conflict of interests. The 2014-2020 Small-Scale Projects, having simplified reporting as they are fully based on SCOs, demonstrated to increase involvement of several new partners from the civil society (NGOs, small organisations, small municipalities).</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- Stronger involvement of civil society organisation in the implementation of the Interreg Italy-Albania-Montenegro Programme 21-27, while at the same time keeping the efficient and lean composition of the MC.</li> </ul>

## 6 Procedures for the selection of the projects


<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- 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</li> </ul>
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	<p>Section 2 of the CP, the Programme Manuals, the Assessment manuals and the ToRs.</p> <ul style="list-style-type: none"> <li>- Concerning project selection, JS assesses the ability of project partners to effectively implement the activities foreseen in the project plan. For beneficiaries from Albania and Montenegro this is based on the assessment by the respected NIPs.</li> <li>- The first call for proposals saw the participation of many applicants, with a total of 190 applications received. Only 28% of them were rejected during the quality assessment phase which attests the good quality of the projects proposal and consequently the effectiveness of support provided to applicants by JS and NIPs.</li> <li>- The preparation of project proposals is generally not perceived as longer or more burdensome than other ETC programmes survey respondents have applied to.</li> <li>- 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.</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- Re-organise the process for selection of thematic projects, preferring minor public organisation, such as Local and Regional Authorities and foundations, that could dispose of the necessary resources to be dedicated to the project implementation.</li> </ul>



## 7 Indicators' system and performance framework

<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- The analysis of the financial performance shows 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. 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.</li> <li>- 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.</li> <li>- The combination of financial underperformance and of physical overperformance reveals that: <ul style="list-style-type: none"> <li>o the initial targets set by the programme for measuring the physical performance were underestimated. For instance, if we consider the amount of budget allocated under PA 2, the target of 4 new products, services and pilot or demonstration projects realized seems extremely low (also if compared to the target set for the same indicator under PA 3).</li> <li>o 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'</li> </ul> </li> </ul>
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	<p>definitions, even though the JS has a system to assess, which of the achieved outputs effectively contribute to the programme outputs.</p> <ul style="list-style-type: none"> <li>- 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 the one established 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.</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- <b>Recommendations for the current programming period:</b> The evaluators suggested to conduct firstly a thorough check of declared output data in order to assess and avoid overestimations or misinterpretations of output indicators by applicants/beneficiaries. Additionally, a revision of the performance indicator target is also suggested.</li> <li>- <b>Recommendations for 2021-2027:</b> In view of the next programming period, ensure a robust methodology for the choice and calculation of output indicator targets, considering the weaknesses identified in the current Programme.  In view of a better design of the future Italy-Albania-Montenegro programme 2021-2027, the involvement of current project beneficiaries will be crucial, especially in terms of expected results in the programme area.  The shift towards direct result indicators, and their monitoring by programmes, entails the need for a greater involvement and an in-depth training of all programme bodies, including NCP and MC members, concerning programme monitoring activities.</li> </ul>


## 8 Integration with other EU instruments


<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- No formal mechanism was established at programme level to ensure operational coordination (i.e., coordination during programme implementation when launching the calls) with other ETC programmes overlapping in the cooperation area, except for the assessment by JS of the parts of the application form and final report related to synergies and complementarities, as well as the parts of the AIR related to EUSAIR. However, the Programme used several informal coordination tools, 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, etc.</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- A better harmonisation of procedures of the various programmes (e.g. documentation requested from beneficiaries, coherence in the use of eMS).</li> </ul>

## 9 Impact of projects under the 1<sup>st</sup> call



<p>Key findings</p> 	<p>These are preliminary findings, as the evidence collected only refer to outputs and results achieved by the projects financed under the first call.</p> <ul style="list-style-type: none"> <li>- All in all, the information collected through desk analysis, web survey and case studies show that the projects financed under the first call have produced outputs and results in line with the intervention logic of the Programme.</li> <li>- Most projects, across the different SOs, mainly produce “intangibles”, meaning that they usually refer to elements such as the set-up of cross border networks, the carry out of awareness raising activities and/or the elaboration/implementation of policy instruments.</li> <li>- Impacts brought to the territories by the projects mainly refer to the increase of: 1) skills and competences of key actors, 2) awareness and engagement of local actors, 3) improvement of the governance of the area.</li> <li>- The improvement of the governance of the area is particularly visible for PA 3 and PA 4. In case of PA 1 and PA 2, despite the relevant number of activities and outputs related to the policy dimension, the impact on the governance is more limited.</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- Future Programme shall consider that the capacity of projects to harmonise, coordinate and integrate the cross-border policies is higher in the fields of environmental protection risks prevention/management and transport than in sectors such as tourism, culture and innovation policies.</li> </ul>

## 10 Environmental evaluation

<p>Key findings</p> 	<p>These are preliminary findings, as we mainly refer to outputs and results achieved by the projects surveyed:</p> <ul style="list-style-type: none"> <li>- Key environmental issues in the cooperation area, as outlined by the SEA at the outset of the programming period, have been confirmed, they mainly cover the following environmental components: risks of floods, erosion, desertification and soil consumption as well as water and air quality and marine ecosystems status (main threats); natural and protected areas and energy (significant positive indicators).</li> <li>- Selection criteria dealing with ‘sustainable development’ in the different calls are not specific and the weight assigned to environmental dimensions is low.</li> <li>- Most projects, across the different SOs, mainly produce “intangibles” with limited direct environmental impacts; negative impacts are not documented at this stage of programme and project implementation.</li> </ul>
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	<ul style="list-style-type: none"> <li>- Impacts declared by the projects mainly refer to landscape, energy efficiency, renewable energy, followed by air pollution, GHGs emissions, water use and biodiversity.</li> <li>- There is need for a better environmental governance of the environmental dimension at programme and project levels, especially when it comes to monitoring and reporting.</li> </ul>
<p>Recommendations</p> 	<ul style="list-style-type: none"> <li>- Future Programme shall consider the requirement for higher weighting of environmental criteria in the project selection procedure; environmental guidance for applicants are also required, illustrating the assessment approach used and providing recommendations on how to address sustainability issues in project preparation.</li> <li>- In general, a better definition of roles and competencies in the programme governance structures concerning environmental aspects may be foreseen, especially for what concerning monitoring, reporting and the capitalisation of results.</li> </ul>

## II Communication Strategy

<p>Key findings</p> 	<ul style="list-style-type: none"> <li>- Programme communication activities proved to be effective in establishing an efficient and well-functioning communication flow in the programme area. Communication and information activities carried out for potential applicants/beneficiaries can be considered adequate to support applicants in submitting their projects proposals.</li> <li>- Beneficiaries perceived as very useful the tools and initiatives implemented by the Programme to support project preparation and implementation. The responsivity of the programme authorities is also well appreciated.</li> <li>- To support beneficiaries in implementing the communication work package, the programme bodies prepared and made available, on the Programme's website, specific templates ready to be used by beneficiaries. Also, the Programme organised information meetings and workshops to encourage the capitalisation of project results.</li> <li>- Communication among internal targeted audience (programme staff) is well-structured and the support provided by the JS is appreciated. The Programme gave specific attention to capitalization activities with other EU territorial cooperation programmes of the area (e.g. ADRION) and with the EUSAIR Strategy.</li> </ul>
<p>Recommendations</p> 	<p>Future Programme shall consider the possibility to:</p> <ul style="list-style-type: none"> <li>- improve the trainings addressed to FLCs, providing a more targeted and practical support.</li> <li>- for IPA countries, organise Programme events and info-days not only in the capital cities, but also in the other major cities of the two countries, so as to enlarge the</li> </ul>

	geographical localisation of beneficiaries (e.g. in Albania, almost the 80% of beneficiaries comes from Tirana).
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