

## ITALY-ALBANIA-MONTENEGRO 2021-27 TASK FORCE

### Feedback and follow-up to the comments by the EU Commission

The Task Force agrees on the feedback and follow-up proposed for the comments by the European Commission and on the new texts added to the Cooperation Programme.

As agreed with the Task Force, with note dated 5 June 2021 the Managing Authority informally shared the draft version of the 2021-2027 programme with the European Commission, in order to receive informal feedback to speed up the approval process. With note Ares(2021)4476736 dated 8 July 2021 the EU Commission replied. All in all, the EU Commission consider the draft as a high-level result of the work of the Task Force and expresses positive remarks about several strategic choices made.

In this table, we list the specific comments and suggestions made by the EU Commission with a proposed feedback and follow-up:

COMMENT BY THE EU COMMISSION	PROPOSED REPLY
<p><b>1 Programme strategy: main development challenges and policy responses</b></p> <p>Considering the reduction of the ERDF allocation to the programme, it could be advisable to further consider the possible use of simplified financial instruments, especially for actions under Specific Objective (SO) 2.3. At this stage, the programme would have had to provide only for a general description of the financial instruments not pre-empting the results of the ex-ante assessment(s) regarding potential final recipients and potential financial products (loans, guarantees or (quasi-) equity or combination with grants, in line with the sectors covered under the specific objective.</p> <p>In this section text, you are also kindly requested to insert the following sentence: "During the implementation of the programme the managing authority will promote the strategic use of public procurement to support policy objectives (including professionalization efforts to address capacity gaps). Beneficiaries should be encouraged to use more quality-related and lifecycle cost criteria. When feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures."</p>	<p><b>1a</b></p> <p>Financial instruments (loans, guarantees or equity) are not sufficiently known and used in the Interreg IPA CBC context. Even though the task force strongly agree that these could provide a useful support to the private sector, in Albania and Montenegro intermediate organisations (bank, credit institutions, public agencies, etc.), which should be in the position to manage these instruments on behalf of the programme bodies, have not sufficient experience, thus it would imply unproportionally high management costs for the programme, a severe risk and a very long starting phase after programme approval, which would lead to severe delays and de-commitment.</p> <p>On the other hand, we are going to use and encourage all simplified cost options, especially for the benefit of private small organisations, as well as we are going to finance small-scale projects (financed exclusively with SCOs), which significantly reduce administrative burdens, especially for S.O. 2.3 actions.</p> <p>We would propose to encourage the beneficiary to use innovative instruments for their target groups, while including examples in the call text, such as e.g. vouchers models or credit instruments</p>

We would also expect some more considerations on the EU engagement with the Western Balkans (Economic and Investment Plan for the Western Balkans – Connectivity Agenda), 2020 Communication on the EU enlargement policy, Council conclusions on enlargement and stabilisation and association process with Albania, Regional cooperation strategic framework for EU relations with the IPA countries.

Elements from the Territorial Agenda 2030 and the Long Term Vision for the Rural Areas could be also usefully considered.

experimented already in the programme area (see e.g. the ADRION project BLUEBOOST <https://www.arti.puglia.it/wp-content/uploads/BLUE-BOOST-Call-for-Innovation-Vouchers.pdf> or the outcomes of the 2014-2020 project 3C4SME <https://3c4sme.italy-albania-montenegro.eu/>).

Add at 2.1.1.5 “No specific financial instrument is planned, due to the specific programme context.

However, the programme is going to extensively promote simplified financing methods, such as the Simplified Cost Options and Small-Scale projects, for the beneficiaries to focus on outputs, instead of administration. In addition, the calls may include examples of innovative financing methods, such as innovation vouchers, training schemes, guarantees, such as e.g. as in 2014-20 project 3C4SME, which the beneficiaries may use and promote for their specific target groups, such as SMEs, vulnerable social groups, etc.

During the implementation of the programme the managing authority will promote the strategic use of public procurement to support policy objectives (including professionalization efforts to address capacity gaps). Beneficiaries should be encouraged to use more quality-related and lifecycle cost criteria. When feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures.”.

Add after par. 2 of 1.2 “In addition, the selected specific objectives have strong synergies with the Economic and Investment Plan for the Western Balkans – Connectivity Agenda, especially with flagships no. 1 on Corridor VIII and 3 on Rail Road 2 / Blue Highway, no. 2 on sustainable energy plants, no. 7 on water quality, no. 8 on digitalisation and no. 9 on SMEs, as well as pillars of the Green Agenda (i) energy, (iii) biodiversity, (iv) water pollution and (iv) food systems. Moreover, the new specific objective 5.1 (ISO 1) and the cross-cutting issue security (ISO 2) may significantly contribute to the public administration reform of IPA countries, which is set as a priority of the 2020 Communication on the EU enlargement policy and to the fight against corruption and organised crime, as required in the Council Conclusions on Enlargement and Stabilisation and Association Process with Albania. All in all, the consistency of the specific objectives

	has been checked against the Strategic Coherence Frameworks (SCF) of the EU. Furthermore, the 8 specific objectives of the programme are going to be declined also in the light of the priorities of the Territorial Agenda 2030, i.e. a social, balanced and convergent territorial development, the integration across national borders, a healthy environment, sustainable local economies and digital and physical connections, with particular focus on maritime and rural areas, which comply also with the Long Term Vision for the Rural Areas.”
<p><b>2 Priorities</b></p> <p>In the field of ‘A smarter Europe’ (PO1), the potential for groupings, platforms, networks and exchange of good practice should be more clearly underlined. The opportunities for joint initiatives, joint projects and joint actions of all kinds should be emphasised, with an explicit reference to the smart specialisation areas identified by the countries/regions participating in the programme.</p> <p>This new programming period offers as well a broad scope of support for the tourism and culture sectors, provided that measures follow the corresponding Policy Objective logic of intervention and enabling conditions/minimum requirements are met. An emphasis should be put on ensuring that supports for tourism and/or culture are in line with the relevant EU strategic frameworks.</p> <p>With regard to the treatment of horizontal principles in programming (Article 9 of Regulation (EU) 2021/1060 (CPR)), the document could be more explicit regarding the compliance with the Charter of Fundamental Rights of the EU, equality between men and women, gender mainstreaming, prevention of any discrimination based on e.g., racial or ethnic origin etc.).</p> <p>The programme, for each SO, well sets out related types of actions and their expected contribution to EUSAIR.</p>	<p>2a</p> <p>Add at the end of par. 1.1 of 2.1.2 “Learning the lesson from 2014-20 projects of P.A. 1, existing and new clusters, platforms, networks and exchange of good practices among SMEs, public bodies, social partners and research centres are going to be promoted extensively. This builds on the identified potentials to finance joint initiatives and actions in smart specialisation areas of the green and blue economy (incl. food production / processing, aquaculture / fisheries), creative industries, sustainable tourism, aero spatial and other specialised industrial sectors and the digital economy. Sustainable tourism, cultural and creative sectors are going to be considered as a cross-cutting priority across this all other priority axes, as long as the coherence with the priority axis is assured. A capitalisation on the 2014-20 networks in tourism, creativity and cultural activities is expected.”</p> <p>Add at the end of par. 1.4 of 1.2 “Accordingly, for all priority axes of the future programme it is necessary to include a criteria for project selection, and for evaluation, related to the compliance with horizontal principles of Article 9 of Regulation (EU) 2021/1060 (CPR). Additionally, specific projects of PO 1 A smarter EU and PO 4 A more social EU are expected to also actively promote the rights of the Charter of Fundamental Rights of the EU, equality between men and women, and prevention of any discrimination based on gender, race, age, health or ethnicity.”</p>
<p><b>3 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate</b></p>	<p>3a</p> <p>Add in par. 1.1 of 2.1.2 after “agri-food, etc.”: “The sustainable blue economy is going to play a major</p>

<p>The programme strategy has taken into account the objectives and thematic focus of the EUSAIR.</p> <p>Taking into account that the programme foresees a greater concentration on maritime thematic priorities based on the principle of "functional area", it could also be relevant to make references to the new approach for a sustainable blue economy in the EU, transforming the EU's blue economy for a sustainable future (COM(2021) 240 final of 17 May 2021).</p>	<p>role also in compliance with new approach in the EU as set in the COM(2021) 240 final of 17 May 2021".</p>
<p><b>4 Indicators</b></p> <p>For its final submission, the programme will have to be accompanied by the Methodology for the establishment of the performance framework. In this perspective, the 'Annex 01 – Methodology for indicators' is an excellent starting point but might require further development. The concept of result indicators should extensively capture achievements at project level.</p> <p>Since this chapter and the Annex 01 are subject to a specific scrutiny, you are encouraged to submit them again as soon as they are properly up-dated.</p>	<p>4a</p> <p>It is essential to have a clearer understanding of the available resources (programme budget), in order to correctly calculate targets. As soon as there is a clearer indication of the budget, we may update the document.</p>
<p><b>5 Indication of the specific territories targeted</b></p> <p>You could provide more information on how the territorial development needs will be addressed by the different priorities of the programme (specific calls targeting a given territory, priority given to certain areas, etc).</p> <p>You are also encouraged to further consider the use of available tools to support functional area, capitalising for instance on the Adriatic Ionian Euroregion, the LEADER-type initiatives in Albania (implemented through SNV, MADA, OXFAM GB and the World Bank) and/or the Network for Rural Development in Montenegro (regional project ALTER).</p>	<p>5</p> <p>Add after par. 1 of 3.2.5 <b>"The territorial analysis highlighted specific needs of the territories, which guided the strategic choices in the programming phase and will guide the content of the calls during programme implementation. Learning from the positive outcomes of the 2014-20 targeted call, the calls may also address specific gaps."</b></p> <p>Add at the end of 3.2.5 <b>"More specifically, selection criteria used in the calls are going to focus also on the maritime and local dimensions. In addition, in the calls, applicants are going to be guided to seek synergies and to capitalise on the experiences of the local action groups in Italy, the Adriatic Ionian Euroregion, the LEADER-type initiatives implemented in Albania, as well as the Network for Rural Development in Montenegro (ALTER)."</b></p>
<p><b>6 Financing plan</b></p> <p>We take note that the financial allocation of the different priority axis is not decided yet.</p>	<p>6a</p> <p>In the on-going national process of allocating the available ERDF resources in Italy, a reduction of the ERDF resources emerges for all programmes, but at the same time the willingness to ensure an</p>

<p>Contrary to what is provided for the other Interreg programmes, Article9(2) of the future IPA regulation still foresees the maximum Union co-financing rate at the level of each priority. It is therefore possible to apply modulated co-financing rates inside a priority, as long as it is within the frame of equal treatment.</p>	<p>increased Italian co-financing to the programme like for ERDF Interreg (20%), which partially compensates this reduction. This means that in principle, the calls could include a rule on reduced IPA co-financing for Italian beneficiaries (80%, instead of 85%) and higher co-financing for IPA countries beneficiaries (keeping it at 85%), while at the same time a single co-financing rate at programme / axis level is proposed (82,42%), which is calculated against the current absorption levels of Italy and the IPA countries (50% requested from the Italian and IPA territories during 2014-2020 calls). A necessary mechanism to keep this balance during the calls may be introduced (e.g. rule on proportional budget levels between Italian and IPA beneficiaries, in order to exclude the risk that the programme may not be able to reimburse IPA funds to the beneficiaries).</p> <p>This would also apply the equal treatment principle, because Albanian and Montenegrin partners have a reduced capacity to co-finance projects (thus EU co-financing should be higher to compensate it), compared to the Italian partners, especially because the public and public law bodies in Italy benefit from an automatic national co-financing. Additionally, a higher Italian co-financing would partially counterbalance the higher living and labour costs in Italy compared to IPA countries, in terms of return on investment for IPA funds invested in the territories.</p>
<p><b>7 Action taken to involve the relevant programme partners in the preparation of the Interreg programme and the role of those programme partners in the implementation, monitoring and evaluation</b></p> <p>For each programme, the rules of procedure for the Monitoring Committee establish the rules on the voting rights. So it is for the programme partners to agree (either consensus, or one vote per country, or one vote per member or qualified majority etc.). But times are over for the Monitoring Committee to only have territorial authorities around the table without the broader partnership. In theory, one could decide that the authorities have the voting rights but not the associated partners, but it would be against the partnership principle, and it also would void the importance that the Commission gives to the involvement of the other partners in the Monitoring Committee. The Commission will insist</p>	<p>7a</p> <p>It is important to apply the proportionality principle, i.e. the MC composition should be in proportion to the tasks, the territorial size and the number of social and local partners, which shall be efficiently represented. Conflict of interests shall be also avoided through clear rules and representation mechanisms. The 2014-20 JMC had an efficient decision-making process, which made it possible to approve 72 projects in three calls, within less than three years, and to partially recover for the two years delay at programme start. The MC shall keep efficient and effective decision-making processes. At the same time, the members of the MC, representing a specific territory, best know and understand the interests of the social and local partners of the respective territory, therefore they shall ensure that appropriate involvement mechanisms are in place. For a maximum</p>



<p>on having the broad partnership in the Monitoring Committee (and the Selection Committee) but voting rights might differ.</p>	<p>transparency, the decision-making part of the MC meetings shall be open to the social and local partners, interested in attending (open session with compulsory registration), while preparatory / informal sessions and discussions may be still kept confidential for more effective cooperation. The EC representative may advice and also monitor that social partners involvement occurs.</p> <p>In ch. 4, replace the sentence “Representatives of these partners shall be consulted and they may be invited to participate in the meetings, according to the meeting objectives and in absence of conflicts of interest” with: <b>“Building up on the efficient works of the 2014-20 JMC, the composition of the Monitoring Committee shall be set in proportion to the size and number of territories involved, and its rules of procedure shall assure an efficient decision-making process. On the other hand, each member representing a territory commit to consult, invite and inform the representatives of social and local partners of the respective territory, who are admitted to attend the decision-making part of the meetings of the Monitoring Committee, as observers. Additionally, these partners are going to be extensively involved in the evaluation process and in future programming processes. The representative of the European Commission, participating in advisory capacity, is going to monitor the involvement of social and local partners.”</b></p>
<p><b>8 Approach to communication and visibility for the Interreg programme</b></p> <p>This chapter should describe further the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant and measurable indicators for monitoring and evaluation. For the target audiences, you should clearly define the reasoning behind their choices. Since operations of strategic importance will be financed through the programme, the chapter should also specifically describe the measures which will ensure visibility of their support. The chapter shall also confirm that the programme's website will be linked to the single website portal providing access to all programmes of Italy, as requested by Article 46(b) CPR, and that the website and the documents provided will be</p>	<p>.... To be added....</p>

<p>accessible to persons with disabilities (availability of easy to read, sign language audio description of audio-visual material).</p> <p>Since this chapter is subject to a specific scrutiny, you are encouraged to submit it again as soon as it is properly up-dated.</p>	
<p><b>9 Indication of support to small-scale projects, including small projects within small project funds</b></p> <p>For strand A it is compulsory to either have small-scale projects directly managed by the Managing Authority (in accordance with Article 24(1) of Regulation (EU) 2021/1059 (ETC)) or to implement (a) Small Project Fund(s) according to Article 25 ETC, or both. The cap of 20 % of the total allocation of the Interreg programme refers only to the Small Project Fund(s). For small-scale projects no such provisions have been established. Small-scale projects according to Article 24(1)(a) ETC are fully-fledged projects, i.e. they should be selected by the Monitoring Committee and comply with the partnership and cooperation requirements set out in the Regulation. And in this context, we suggest using risk-based sampling for control and verification purposes.</p>	<p>9a</p> <p>The Programme complies with article 24 of the ETC Regulation:</p> <p>The 2014-20 already financed small-scale projects with a dedicated simplified cost option, set-up specifically for this purpose. Building up on this successful experience, the 2021-27 intends to continue. In fact, as described in the programme text, the small-scale projects are fully fledged projects selected by the MC, but running exclusively with simplified costs.</p> <p>As the small-scale projects are financed through simplified cost options, management verifications are focused on the outputs and on-the-spot verifications are foreseen, also risk-based. The Managing Authority and Joint Secretariat together with the National Authorities and National Info Points are going to carry out these verifications focused on outputs.</p>
<p><b>10 Implementing provisions</b></p> <p>The names of all the institutions involved, their contact names and their email addresses must be properly inserted.</p> <p>The set-up of the management and control system (MCS) for the programming period 2014-2020 has raised many implementation challenges. More 'factors for effective delivery' and/or capacity and governance building issues could be identified. Some simplification measures are mentioned but more could be proposed.</p> <p>If the programme decides to entrust at a later stage the accounting function to the Managing Authority, this is allowed but the principle of separation of functions implies that the following functions have to be segregated: authorisation and control of commitments and payments, execution of payments and accounting for commitment and payment. In accordance with Article 51(1) ETC, the programme should confirm that the accounting</p>	<p>10a</p> <p>The members of the task force are required to provide the contact names and addresses, which may be updated during programme implementation.</p> <p>The MCS is not part of the programming exercise, but these advices are going to be used for improving and simplifying the current MCS, including the specification of the separation of functions within the Managing Authority and the single account, considering also the limitation of characters.</p> <p>The programme invests in the enhancement of institutional capacities in the IPA countries both as a cross-cutting issue in all priorities and specifically with the ISO 1 P.A.. In addition, building up on the 2014-20 period, trainings and information activities devoted to the IPA beneficiaries (including social partners), National Authorities, Info Points and First Level Controllers of the IPA countries are going to be planned as standard T.A. activities. In addition, assistance will be provided also in the future for</p>

function will work with a single account with no national subaccounts.

Regarding the foreseen use of the technical assistance, could you confirm whether you have examined the need to make use of technical assistance in order to support the strengthening of the institutional capacity of partner countries? And if needs are identified, have you, where relevant, allocated an appropriate share of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations?

And considering Article 17(6)(c), Article 52(3) and 52(5) ETC, you should detail how you intend to implement these provisions.

We would expect as well more details on the concrete arrangements foreseen in terms of cooperation and/or coordination with other programmes (detailed procedures for implementation).

specific IPA issues, such as those identified in 2014-20 period, like pre-financing, co-financing, provisions, application of the EU public procurement principles, provisions of bank guarantees for private partners, etc.

This part on recoveries will be part of the MCS description, including also details on the implementation of article 17(6)(c), Article 52(3) and 52(5) ETC.

There is a clear intention to enhance coordination and cooperation with other programmes, as far as resources and institutional setting allows for it. In particular the programme intends to build on the lessons learnt of the 2014-20 programme.

Add after last par. of 7.3: “- the 2021-27 Management and Control System description, the programme manual and the procedures are going to build on the 2014-20 and include among others: a description of the separation of the accounting function within the Managing Authority; procedures for payments by the EC to the single account, art. 51 (1) ETC; quality assurance measures, incl. simplification and capacity building within the Technical Assistance for programme and project management; procedures for recoveries, art. 52 (3) / (5) ETC, based on the liabilities of participation countries.”

Add after par. 2, after point c., of 1.2. “The 2021-27 programme widely builds on the experience of the 2014-20 programme also for coordination with other programmes. During project selection and project monitoring parts of the project application form and of the project final report, where project beneficiaries explain the synergies and complementarities with other programmes and funding, are going to be carefully assessed and specific selection criteria or evaluation questions are going to be applied. Several informal coordination tools are going to be used, such as the networks established by the Italian Government (ACT and DIPCOE, like e.g. the 2014-20 ETC strategic coordination group, the 2014-20 Adriatic-Ionian MA/JS working group), the Interact Italian national committee, the Interact Mediterranean programme networks, Knowledge of the Sea network, South-East and Central EU ETC network, the EUSAIR platforms and any new network in 2021-2027, which the JS/MA is going to actively participate in.”



<p><b>11 Others</b></p> <p><b>11.1 Programme area</b></p> <p>The programme shall define the programme area according to Article 8 ETC and include the relevant map as a separate document.</p> <p><b>11.2 Selection of operations</b></p> <p>The selection criteria shall promote projects partners establishing the adequate links at governance level to ensure the sustainability and continuity of results within the normal political decision making process of the regions and municipalities concerned. They shall prevent as well the deadweight loss<sup>1</sup> and include a provision that there is a preference where relevant for projects that contribute to one or several of the national/regional smart specialisation areas of the regions participating or a priority of the EUSAIR in the project.</p> <p>There should be as well a sufficient description of specific actions to take sustainable development into account in the selection of operations (for instance through the use of Green Public Procurement, nature-based solutions, lifecycle costing criteria, standards going beyond regulatory requirements, avoiding negative environmental impacts, climate proofing and 'energy efficiency first principle' etc.).</p> <p><b>11.3 Promoting durability of the results</b></p> <p>You are invited to briefly outline how you have assessed:</p> <ul style="list-style-type: none"> <li>- the risks and factors which may affect the capacity of the businesses to be supported by the programme to deliver results in the long term, and</li> <li>- the measures they intend to take to mitigate potential issues.</li> </ul>	<p>11.1 a</p> <p>In fact, the area complies with art. 8 ETC Reg., and the SFC is going to allow only for the uploading of maps (.jpg format) in separate documents.</p> <p>11.2a</p> <p>These precious advices are going to be used for the calls, where the selection criteria are clearly set and explained.</p> <p>11.3a</p> <p>This is going to be included in documents related to the future calls.</p> <p>Add at the end of 2.1.4: <i>"During project selection specific criteria are going to be applied to promote projects partners establishing the adequate links at governance level and ensuring sustainability and capitalisation of results within the normal political decision-making process of the administration concerned. The criteria related to the contribution to the national/regional smart specialisation strategies and the contribution to the EUSAIR are going to play a key role in selection. A selection criterion on the sustainable development is going to be applied in the project assessment, on the basis of measures that applicants intend to apply, such as e.g. nature-based solutions, lifecycle costing criteria, standards going beyond regulatory requirements, avoiding negative environmental impacts, etc.. Project proposals are going to include also an assessment of the risks and factors, which may affect the capacity of the applicants to deliver results in the long term and the measures they intend to take to mitigate potential issues, which are going to be assessed according to the approved assessment procedure."</i></p>
<p><b>12.1 Annex 02: Description and timeline for operations of strategic importance</b></p> <p>While possible contributions to the EUSAIR and their main links to the EUSAIR flagships are explained, it would be good to detail more how these planned operations of strategic importance will provide a significant contribution to the achievement of the objectives of the programme.</p> <p><b>12.2 Annex 03: Simplified costs options (SCOs) (still to be completed)</b></p>	<p>12.1a</p> <p><i>A sentence will be added in each strategic project, explaining the link to one or more flagships.</i></p> <p>12.2a</p> <p>The programme may not include SCOs ex ante in appendix 1 article 94 CPR.</p> <p>The programme bodies intend to involve the AA, possibly in an early system audit, while requiring an ex-ante assessment.</p>

Programme-specific SCOs can either be part of the programme (Appendix 1, Article 94 CPR). In this case, you are kindly requested to provide all relevant information describing the source of data used to calculate the SCO included [who produced, collected and recorded the data; reliability of data; where the data are stored; cut-off dates; validation, etc.] and a positive ex-ante assessment of the Audit Authority (AA) is necessary for the programme submission. Otherwise, the AA will audit the methodology either ex-ante (early system audit) or as part of their regular audit work. In any case, it is recommended to work closely with the AA to explore the possibility of an ex-ante assessment of the SCOs before starting to implement them. In this context, when the grants are provided by the Managing Authority (MA) to beneficiaries in the form of SCOs based on Articles 53-55 CPR, please also note that the submission of Appendix I information is not required and an EC assessment not needed.

### 12.3 Annex 05 – Partnership involvement

Based on the foreseen partnership and at the time of submitting your final draft programme, you will be kindly requested to evidence that you have actually involved the relevant partners of all countries in the preparation of the programme and you have the proper mechanisms to involve them during the implementation, monitoring and evaluation of the programme.

### 12.4 SEA

The draft environmental (or final draft screening where applicable) report (not available yet) shall be prepared in accordance with Directive 2001/42/EC (SEA) and made available together with the mature draft programme. In this respect, please note that the SEA procedure has to be completed before the Commission formally adopts the programme subject to the SEA. Should you fail to do so, the Commission will not be able to proceed with the adoption process. Moreover, in accordance with Article 9(1) of the SEA Directive, you should ask the partner countries to ensure that, when the programme is adopted, statements are submitted, summarising how environmental considerations have been integrated into the programme and how the environmental report, the opinions and the result of consultations have been taken into

12.3a

The list of stakeholders, their countries and their opinions may be annexed to annex 05.

12.4a

The SEA scoping process is on-going and we hope to publish the results early autumn 2021.

12.5a

The agreement text was drafted and is going to be discussed on 28 September 2021.

12.6a

The programme does not foresee any large infrastructure projects in the meaning of art. 57, i.e. “operations comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of a total cost of at least EUR 2 500 000 is allocated to the acquisition, construction or modernisation of infrastructure.” Based on 2014-20 lessons learnt, projects of strategic importance allocate less than 2,5 Mio. to acquisition, construction or modernisation of infrastructure.

12.7a

Replace “migrant” with “**vulnerable groups**”.

account and showing that this final statement has been made available to the public. A clear commitment from you and the partner countries is needed with regard to the monitoring measures identified in the SEA process for prevention, reduction and, where possible, offsetting any possible significant effects on the environment resulting from the implementation of the programme.

### **12.5 Agreement of third countries**

As set out in Article 16(5) of Regulation (EU) 2021/1059 (ETC), “The participating Member States and, where applicable, third countries, partner countries or OCTs shall confirm in writing their agreement to the contents of an Interreg programme prior to its submission to the Commission. That agreement shall also include a commitment by all participating Member States and, where applicable, third countries, partner countries or OCTs to provide the co-financing necessary to implement the Interreg programme and, where applicable, the commitment for the financial contribution of the third countries, partner countries or OCTs”. Further to this, confirmation letters from Albania and Montenegro, where submitted together with the final draft programme, shall refer to the entire content of the cooperation programme (and not only to a technical summary of the programme).

### **12.6 Large Infrastructure Projects**

As set out in Article 57(3) ETC, you should send to the Commission a list of planned large infrastructure projects indicating the prospective name, location, budget and lead partner. That list shall be sent as a separate document either when transmitting the signed copy of the financing agreement or a copy of the implementing agreement as referred to in Article 59 ETC to the Commission or at the latest two months before the meeting of the monitoring committee or, if applicable, the steering committee selecting the first of the envisaged large infrastructure projects.

### **12.7 Terminology used**

When referring to ‘migration’ and ‘migrants’, the terminology used in the programme should be carefully used, distinguishing where relevant ‘immigrants’, ‘migrants’, ‘returning migrants’ and ‘vulnerable groups’.

Please finally that this letter does not reflect the entire scope of possible comments that you might receive with formal submission, which should include the documents related to the SEA, that need to be completed before the formal programme submission to the Commission.



**EUROPEAN COMMISSION**

DIRECTORATE-GENERAL

REGIONAL AND URBAN POLICY

European Territorial Cooperation, Macro-regions, Interreg and Programme Implementation I

**Macro-regions, Transnational, Interregional Cooperation, IPA, Enlargement**

Brussels, 08/07/2021  
regio.d.1(2021)5014175/GK

**To be sent by e-mail**

**TO THE MANAGING AUTHORITY**

**PREPARATION OF THE 2021-2027 INTERREG IPA CBC SOUTH ADRIATIC (ITALY-  
ALBANIA-MONTENEGRO) PROGRAMME**

**Subject:** First comments on 2021-2027 Interreg IPA CBC South-Adriatic (Italy-Albania-Montenegro) programme draft text

Dear Mr Marino,

dear members of the Italy-Albania-Montenegro Programming Task Force,

in view of the next preparatory meeting in the early autumn 2021, you have asked the Commission for first impressions, mainly on the construction of the intervention logic, indicators and performance framework.

The programme fulfils main requirements of the legal framework on the analysis of development needs and the set-up and description of priorities. We consider this is the result of the high level of stimulating discussions in the 2021-2027 Task-Force with the participation of different experts to analyse and improve the different reports submitted to the group.

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Close collaboration with my unit, due consideration of our Border Orientation Paper as well as active participation in all workshops organised by REGIO and INTERACT, have definitively ended, in my view, in a good understanding of the results orientation approach of the new period.

Some general positive remarks can therefore be already expressed on the programme draft text:

1. Foreseeing a greater concentration on maritime thematic priorities based on the principle of "functional area" with common needs, integrated assets and a dense agglomeration of shared policy-making, beyond administrative boundaries
2. Fulfilling the thematic concentration principle, through thematic concentrations on Policy Objective (P.O.) 2 'Greener Europe', with specific objectives such as risk management and biodiversity, as well as on P.O. 1 'Smarter Europe' and 4 'A More Social Europe', with specific objectives related to enhanced skills, training and the promotion of cultural heritage for the benefit of sustainable tourism.
3. Re-enforcing the strategic dimension of the future programme through complementarities with the initiatives of the Italian Ministry of Foreign Affairs, especially in relation to the on-going initiatives started by the Italian Cooperation on SMEs (e.g. project "Connect Albania"), civil protection, intermodality, professional training, digitalisation and capacity-building of public administration in Albania and Montenegro.
4. Duly considering the lessons learnt from past experience, especially through the on-going evaluation of 2014-2020 Italy-Albania-Montenegro programme.
5. Promoting sustainable growth and competitiveness of SMEs, including micro-enterprises, in strategic sectors like the blue sector, and in all sectors indirectly connected to the maritime dimension, such as tourism, food processing, creative industries, aquaculture, fishery etc.
6. Looking for strategic and/or flagship projects centred around the implementation of Integrated coastal zone management (ICZM) and Marine spatial planning (MSP).
7. Against the direct or indirect consequences of the recent economic and pandemic crises, increasing skills for specific citizens groups or economic sectors, such as tourism, cultural and creative industries, digital sectors.
8. Supporting institutional cooperation through Interreg Specific Objective (ISO) 1, to facilitate the convergence of Albania and Montenegro to the EU (and the adoption of the *acquis communautaire* connected to the Cohesion Policy).
9. Fostering cooperation in the Adriatic and Ionian basin to facilitate the achievement of the objectives of the EUSAIR.
10. Promoting the participation of all actors in the decision making process.
11. Consolidating genuine cooperation both on the levels of the programme governance (programme bodies) and the local cooperation.

Your draft programme document is still in draft stage. Please find a few comments and suggestions in annex. These are put forward as a constructive contribution to your work in preparing the 2021-2027 Interreg IPA CBC South-Adriatic (Italy-Albania-Montenegro) programme final text. They are not exhaustive and all-embracing and do not constitute any guarantee with regard to the compliance with all the legal requirements, a responsibility which remains within the programming authorities.

If you have further questions in relation to the preparation of your 2021-2027 Interreg IPA CBC South-Adriatic (Italy-Albania-Montenegro) programme, you may address them to Mr. Gilles Kittel in my unit.

Until then I want to wish you, your colleagues and your family the best in these challenging times.

Sincerely yours,

[e-signed]

Jean-Pierre Halkin  
Head of Unit  
DG REGIO

## ANNEX

### **Programme strategy: main development challenges and policy responses**

Considering the reduction of the ERDF allocation to the programme, it could be advisable to further consider the possible use of simplified financial instruments, especially for actions under Specific Objective (SO) 2.3. At this stage, the programme would have had to provide only for a general description of the financial instruments not pre-empting the results of the ex-ante assessment(s) regarding potential final recipients and potential financial products (loans, guarantees or (quasi-) equity or combination with grants, in line with the sectors covered under the specific objective.

In this section text, you are also kindly requested to insert the following sentence: *“During the implementation of the programme the managing authority will promote the strategic use of public procurement to support policy objectives (including professionalization efforts to address capacity gaps). Beneficiaries should be encouraged to use more quality-related and lifecycle cost criteria. When feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures.”*

We would also expect some more considerations on the EU engagement with the Western Balkans (Economic and Investment Plan for the Western Balkans – Connectivity Agenda), 2020 Communication on the EU enlargement policy, Council conclusions on enlargement and stabilisation and association process with Albania, Regional cooperation strategic framework for EU relations with the IPA countries.

Elements from the Territorial Agenda 2030 and the Long Term Vision for the Rural Areas could be also usefully considered.

### **Priorities**

In the field of ‘A smarter Europe’ (PO1), the potential for groupings, platforms, networks and exchange of good practice should be more clearly underlined. The opportunities for joint initiatives, joint projects and joint actions of all kinds should be emphasised, with an explicit reference to the smart specialisation areas identified by the countries/ regions participating in the programme.

This new programming period offers as well a broad scope of support for the tourism and culture sectors, provided that measures follow the corresponding Policy Objective logic of intervention and enabling conditions/minimum requirements are met. An emphasis should be put on ensuring that supports for tourism and/or culture are in line with the relevant EU strategic frameworks.

With regard to the treatment of horizontal principles in programming (Article 9 of Regulation (EU) 2021/1060 (CPR)), the document could be more explicit regarding the compliance with the Charter of Fundamental Rights of the EU, equality between men and women, gender mainstreaming, prevention of any discrimination based on e.g., racial or ethnic origin etc.).

The programme, for each SO, well sets out related types of actions and their expected contribution to EUSAIR.

### **Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate**

The programme strategy has taken into account the objectives and thematic focus of the EUSAIR.

Taking into account that the programme foresees a greater concentration on maritime thematic priorities based on the principle of "functional area", it could also be relevant to make references to the new approach for a sustainable blue economy in the EU, transforming the EU's blue economy for a sustainable future (COM(2021) 240 final of 17 May 2021).

### **Indicators**

For its final submission, the programme will have to be accompanied by the Methodology for the establishment of the performance framework. In this perspective, the 'Annex 01 – Methodology for indicators' is an excellent starting point but might require further development. The concept of result indicators should extensively capture achievements at project level.

Since this chapter and the Annex 01 are subject to a specific scrutiny, you are encouraged to submit them again as soon as they are properly up-dated.

### **Indication of the specific territories targeted**

You could provide more information on how the territorial development needs will be addressed by the different priorities of the programme (specific calls targeting a given territory, priority given to certain areas, etc).

You are also encouraged to further consider the use of available tools to support functional area, capitalising for instance on the Adriatic Ionian Euroregion, the LEADER-type initiatives in Albania (implemented through SNV, MADA, OXFAM GB and the World Bank) and/or the Network for Rural Development in Montenegro (regional project ALTER).

### **Financing plan**

We take note that the financial allocation of the different priority axis is not decided yet.

Contrary to what is provided for the other Interreg programmes, Article9(2) of the future IPA regulation still foresees the maximum Union co-financing rate at the level of each priority. It is therefore possible to apply modulated co-financing rates inside a priority, as long as it is within the frame of equal treatment.

### **Action taken to involve the relevant programme partners in the preparation of the Interreg programme and the role of those programme partners in the implementation, monitoring and evaluation**

For each programme, the rules of procedure for the Monitoring Committee establish the rules on the voting rights. So it is for the programme partners to agree (either consensus, or one vote per country, or one vote per member or qualified majority etc.). But times are over for the Monitoring Committee to only have territorial authorities around the table without the broader partnership. In theory, one could decide that the authorities have the voting rights but not the associated partners, but it would be against the partnership

principle, and it also would void the importance that the Commission gives to the involvement of the other partners in the Monitoring Committee. The Commission will insist on having the broad partnership in the Monitoring Committee (and the Selection Committee) but voting rights might differ.

### **Approach to communication and visibility for the Interreg programme**

This chapter should describe further the envisaged approach to communication and visibility for the programme through defining its objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant and measurable indicators for monitoring and evaluation. For the target audiences, you should clearly define the reasoning behind their choices. Since operations of strategic importance will be financed through the programme, the chapter should also specifically describe the measures which will ensure visibility of their support. The chapter shall also confirm that the programme's website will be linked to the single website portal providing access to all programmes of Italy, as requested by Article 46(b) CPR, and that the website and the documents provided will be accessible to persons with disabilities (availability of easy to read, sign language audio description of audio-visual material).

Since this chapter is subject to a specific scrutiny, you are encouraged to submit it again as soon as it is properly up-dated.

### **Indication of support to small-scale projects, including small projects within small project funds**

For strand A it is compulsory to either have small-scale projects directly managed by the Managing Authority (in accordance with Article 24(1) of Regulation (EU) 2021/1059 (ETC)) or to implement (a) Small Project Fund(s) according to Article 25 ETC, or both. The cap of 20 % of the total allocation of the Interreg programme refers only to the Small Project Fund(s). For small-scale projects no such provisions have been established. Small-scale projects according to Article 24(1)(a) ETC are fully-fledged projects, i.e. they should be selected by the Monitoring Committee and comply with the partnership and cooperation requirements set out in the Regulation. And in this context, we suggest using risk-based sampling for control and verification purposes.

### **Implementing provisions**

The names of all the institutions involved, their contact names and their email addresses must be properly inserted.

The set-up of the management and control system (MCS) for the programming period 2014-2020 has raised many implementation challenges. More 'factors for effective delivery' and/or capacity and governance building issues could be identified. Some simplification measures are mentioned but more could be proposed.

If the programme decides to entrust at a later stage the accounting function to the Managing Authority, this is allowed but the principle of separation of functions implies that the following functions have to be segregated: authorisation and control of commitments and payments, execution of payments and accounting for commitment and payment.



In accordance with Article 51(1) ETC, the programme should confirm that the accounting function will work with a single account with no national subaccounts.

Regarding the foreseen use of the technical assistance, could you confirm whether you have examined the need to make use of technical assistance in order to support the strengthening of the institutional capacity of partner countries? And if needs are identified, have you, where relevant, allocated an appropriate share of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations?

And considering Article 17(6)(c), Article 52(3) and 52(5) ETC, you should detail how you intend to implement these provisions.

We would expect as well more details on the concrete arrangements foreseen in terms of cooperation and/or coordination with other programmes (detailed procedures for implementation).

## **Others**

### **Programme area**

The programme shall define the programme area according to Article 8 ETC and include the relevant map as a separate document.

### **Selection of operations**

The selection criteria shall promote projects partners establishing the adequate links at governance level to ensure the sustainability and continuity of results within the normal political decision making process of the regions and municipalities concerned. They shall prevent as well the deadweight loss<sup>1</sup> and include a provision that there is a preference where relevant for projects that contribute to one or several of the national/regional smart specialisation areas of the regions participating or a priority of the EUSAIR in the project.

There should be as well a sufficient description of specific actions to take sustainable development into account in the selection of operations (for instance through the use of Green Public Procurement, nature-based solutions, lifecycle costing criteria, standards going beyond regulatory requirements, avoiding negative environmental impacts, climate proofing and 'energy efficiency first principle' etc.).

### **Promoting durability of the results**

You are invited to briefly outline how you have assessed:

- the risks and factors which may affect the capacity of the businesses to be supported by the programme to deliver results in the long term, and
- the measures they intend to take to mitigate potential issues.

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<sup>1</sup> Deadweight is an effect occurring when funding is provided to support a beneficiary who would have made the same choice in the absence of aid. In such cases, the outcome cannot be attributed to the policy, and the aid paid to the beneficiary has had no impact. Thus, the share of expenditure which generates deadweight is ineffective by definition, because it does not contribute to the achievement of objectives.

## Annex 02: Description and timeline for operations of strategic importance

While possible contributions to the EUSAIR and their main links to the EUSAIR flagships are explained, it would be good to detail more how these planned operations of strategic importance will provide a significant contribution to the achievement of the objectives of the programme.

## Annex 03: Simplified costs options (SCOs) (still to be completed)

Programme-specific SCOs can either be part of the programme (Appendix 1, Article 94 CPR). In this case, you are kindly requested to provide all relevant information describing the source of data used to calculate the SCO included [who produced, collected and recorded the data; reliability of data; where the data are stored; cut-off dates; validation, etc.] and a positive ex-ante assessment of the Audit Authority (AA) is necessary for the programme submission. Otherwise, the AA will audit the methodology either ex-ante (early system audit) or as part of their regular audit work. In any case, it is recommended to work closely with the AA to explore the possibility of an ex-ante assessment of the SCOs before starting to implement them. In this context, when the grants are provided by the Managing Authority (MA) to beneficiaries in the form of SCOs based on Articles 53-55 CPR, please also note that the submission of Appendix I information is not required and an EC assessment not needed.

## Annex 05 – Partnership involvement

Based on the foreseen partnership and at the time of submitting your final draft programme, you will be kindly requested to evidence that you have actually involved the relevant partners of all countries in the preparation of the programme and you have the proper mechanisms to involve them during the implementation, monitoring and evaluation of the programme.

## SEA

The draft environmental (or final draft screening where applicable) report (not available yet) shall be prepared in accordance with Directive 2001/42/EC (SEA) and made available together with the mature draft programme. In this respect, please note that the SEA procedure has to be completed before the Commission formally adopts the programme subject to the SEA. Should you fail to do so, the Commission will not be able to proceed with the adoption process. Moreover, in accordance with Article 9(1) of the SEA Directive, you should ask the partner countries to ensure that, when the programme is adopted, statements are submitted, summarising how environmental considerations have been integrated into the programme and how the environmental report, the opinions and the result of consultations have been taken into account and showing that this final statement has been made available to the public. A clear commitment from you and the partner countries is needed with regard to the monitoring measures identified in the SEA process for prevention, reduction and, where possible, offsetting any possible significant effects on the environment resulting from the implementation of the programme.

## Agreement of third countries

As set out in Article 16(5) of Regulation (EU) 2021/1059 (ETC), “*The participating Member States and, where applicable, third countries, partner countries or OCTs shall confirm in writing their agreement to the contents of an Interreg programme prior to its submission to the Commission. That agreement shall also include a commitment by all*

*participating Member States and, where applicable, third countries, partner countries or OCTs to provide the co-financing necessary to implement the Interreg programme and, where applicable, the commitment for the financial contribution of the third countries, partner countries or OCTs”.* Further to this, confirmation letters from Albania and Montenegro, where submitted together with the final draft programme, shall refer to the entire content of the cooperation programme (and not only to a technical summary of the programme).

### Large Infrastructure Projects

As set out in Article 57(3) ETC, you should send to the Commission a list of planned large infrastructure projects indicating the prospective name, location, budget and lead partner. That list shall be sent as a separate document either when transmitting the signed copy of the financing agreement or a copy of the implementing agreement as referred to in Article 59 ETC to the Commission or at the latest two months before the meeting of the monitoring committee or, if applicable, the steering committee selecting the first of the envisaged large infrastructure projects.

### Terminology used

When referring to ‘migration’ and ‘migrants’, the terminology used in the programme should be carefully used, distinguishing where relevant ‘immigrants’, ‘migrants’, ‘returning migrants’ and ‘vulnerable groups’.

Please finally that this letter does not reflect the entire scope of possible comments that you might receive with formal submission, which should include the documents related to the SEA, that need to be completed before the formal programme submission to the Commission.