



# Interreg IPA South Adriatic

Version no. 1.2

(Italy-Albania-Montenegro)

26/09/2022



<b>CCI</b>	2021TC16IPCB008	
<b>Title</b>	(Interreg VI-A) IPA Italy Albania Montenegro (South Adriatic)	
<b>Version</b>	1.2	
<b>First year</b>	2021	
<b>Last year</b>	2027	
<b>Eligible from</b>	01-Jan-2021	
<b>Eligible until</b>	31-Dec-2029	
<b>EC decision number</b>	C(2022)6940	
<b>EC decision date</b>	26/09/2022	
<b>NUTS regions covered by the programme</b>	AL - Shqipëria AL0 - Shqipëria AL01 - Veri AL011 - Dibër AL012 - Durrës AL013 - Kukës AL014 - Lezhë AL015 - Shkodër AL02 - Qender AL021 - Elbasan AL022 - Tiranë AL03 - Jug AL031 - Berat AL032 - Fier AL033 - Gjirokastër AL034 - Korçë AL035 - Vlorë ALZ - Extra-Regio NUTS 1 ALZZ - Extra-Regio NUTS 2 ALZZZ - Extra-Regio NUTS 3	ME - Црна Гора ME0 - Црна Гора ME00 - Црна Гора ME000 - Црна Гора MEZ - Extra-Regio NUTS 1 MEZZ - Extra-Regio NUTS 2 MEZZZ - Extra-Regio NUTS 3 ITF2 - Molise ITF21 - Isernia ITF22 - Campobasso ITF4 - Puglia ITF43 - Taranto ITF44 - Brindisi ITF45 - Lecce ITF46 - Foggia ITF47 - Bari ITF48 - Barletta-Andria-Trani
<b>Strand</b>	Strand A: CB Cross-Border Cooperation Programme (ETC, IPA III CBC, NDICI-CBC)	

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## 1 Joint programme strategy: main development challenges and policy responses

### 1.1 Programme area (not required for Interreg C programmes) Reference: point (a) of Article 17(3), point (a) of Article 17(9)

The cross border area is identical to the previous Programming Period 2014-20, covering an area of 66.562 km<sup>2</sup> (24.002 Italy, 28.748 Albania, 13.812 Montenegro). The cross-border area includes Molise and Puglia regions for Italy and the whole territory of Albania and Montenegro. Albania covers the largest part of the Programme Area (more than 40%), and Molise the smallest (4.460 km<sup>2</sup>). The territories of Italy share with Albania and Montenegro approximately 760 km of maritime border, located in the South Adriatic sea, while Albania shares a 172 km land border with Montenegro.

The main urban areas are the cities of Bari, Taranto, Foggia, Podgorica, Tirana, Durres, Fier and Skadar. Campobasso, Lecce, Brindisi, Niksic, Valona and Elbasan have high population concentration density too, while internal areas are sparsely populated.

Geomorphologically, the cross border area mainly features a) extensive coastal areas, b) extensive plains in Puglia c) extensive mountain areas in Montenegro, Albania and Molise. The coastal area extends for 1651 km of coast line (903 km Puglia, 36 km Molise, 418 km Albania, 294 km Montenegro), including the Tremiti Islands (6 islands), 13 islands in Albania and 8 in Montenegro. While the territories of Albania, Montenegro and Molise are characterised by abundant water resources, Puglia topography is essentially Karst with scarce water resources. The most important lakes of the Balkans are the cross-border lakes Skadar (Albania – Montenegro) and Ohrid, (Albania - Northern Macedonia), while Puglia has coastal lakes.

The important geopolitical position of this area is due also to the EUSAIR and the TAP (Trans Adriatic Pipeline) natural gas pipeline. The area belongs to the Mediterranean Basin and is at the very heart of the Adriatic-Ionian macro-region. Montenegro belongs to the Danube macro-region too. In specific topics, Italian beneficiaries located outside Puglia/ Molise may participate, if functionally necessary.

### 1.2 Joint programme strategy: Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies. Reference: point (b) of Article 17(3), point (b) of Article 17(9)

#### **1 JOINT CHALLENGES**

Following analysis of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, and of the joint investment needs, is a summary of the territorial analysis, enclosed in annex.

Summary of Territorial Analysis:

**a) MAIN CHALLENGES HIGHLIGHTED IN THE ANALYSIS**

PA 1 SMART

- Wide GDP-gap among territories;
- Low investments in R&D & technologies;
- Blue economy still underdeveloped;
- Weak public health sector & high rates of population using health services outside the area.

PA 2 GREEN

- Risk of increased environmental pollution due to the increase in tourism and overload of tourist activities along the coasts;
- Increasing coastal erosion, soil degradation, waste generation and hazardous waste;

PA 3 CONNECTED

- Limited accessibility to remote areas; high traffic level on coastal touristic areas;

PA 4 SOCIAL

- Demographic decline & ageing population;
- High unemployment esp. NEET;
- Gender gap;
- High level of early school dropout;
- COVID-19 pandemic risks to increase the wealth gap between territories, between rural and urban areas, loss of some jobs, especially among older people;
- High levels of youth unemployment increase the risk of social exclusion and high rate of people at risk of poverty and social exclusion;
- Seasonality of tourism;

PA 5 GOVERNED

- Lack of harmonised statistic data;

**b) MAIN NEEDS & POTENTIALS HIGHLIGHTED IN THE ANALYSIS**

PA 1 SMART

- Increase in tourist flows, high quality of water and bathing water, tourism as cross-cutting economic sector, together with culture and growing activities with high innovative potential;
- Increased percentage of people who have completed tertiary or equivalent education in Albania;
- High potential of traditional sectors through the industry 4.0;

- Greater specialization in sectors with a very strong potential for innovation such as mechatronics, biotechnology, biomedical and pharmaceuticals;

#### PA 2 GREEN

- Natural heritage and diversified coastline, presence of a high diversity of cultural destinations and rich biodiversity;

- Potential for the development of renewable energy sources;

- Development of an ecological tourism that respects the areas of naturalistic interest;

- Natural hazard and disaster science can be very interesting for recruiting new students and researchers;

- Joint plans to mitigate the risks of pandemics;

- Strengthening water management will be a good way and an opportunity to address and prevent future pandemics;

- Increasing environmental awareness and interest in blue growth;

#### PA 3 CONNECTED

- Growth in passenger air traffic and opening of new routes (before COVID-19);

- Development of sustainable electronic solutions in public and urban transport;

#### PA 4 SOCIAL

- In Montenegro, percentage of premature school drop-out for young people is lower than in the EU27;

- New job opportunities related to cyber security;

- Vocational and lifelong learning can provide new perspectives to the long-term unemployed for those who have become unemployed as a result of the COVID-19 crisis;

#### PA 5 GOVERNED

- Potential for common information and statistical systems.

### **1.1 Demography**

Among the territories of the 2021-2027 Interreg IPA South Adriatic (Italy-Albania-Montenegro) Programme area (hereinafter referred to as the programme), Puglia region covers more than 50% of the total population. According to EUROSTAT (2020), all the territories (with the exclusion of Montenegro) registered a decrease in total population during 2009-2019, even if the population density has not registered particular changes over time. All the territories in the Programme area are affected by migration, particularly in Albania the phenomenon is quite relevant. However, one of the most important data regards the increasing amount of old population; indeed, data show that in the same period the population aged 65 and over accounted for an increase of +21.2% in Puglia, +8.4% in Molise, +18.1% in Montenegro and +31.8% in Albania. Migration flows to the outside the Programme area is still an issue as they have continuously increased over the last years. Albanians still represent the second most important foreign community in Puglia (after Romanians).

## **1.2 Macro-economics**

After the 2008 crisis that severely affected all the countries both on the Adriatic and Ionian Sea sides, over the last years the territories of the Programme area have started to show a slight growth. Indeed, regardless Molise that experienced a significant decrease in terms of GDP growth, the other partners display encouraging signs of recovery in terms of GDP. Nevertheless, these values are still below the EU averages. These territories are historically specialized on agriculture, tourism and traditional manufacturing even if, especially in the case of Puglia, innovation activities such as aerospace, mechanics, automotive, mechatronics, and so on, are also increasing.

Among the partners, Albania accounted for the smallest GDP per capita level. Conversely, Montenegro recently experienced an increase of GDP (mostly in tourism, then construction and industrial production), with a significant increase in 2019 also in terms of GDP per capita.

Most of businesses of the Programme area are SMEs; also, local units are mainly concentrated in commercial activities. This sector provides more than 30% of the total units in the area.

The on-going pandemic crisis and the subsequent lockdown heavily affected the economic structure of the Programme area, in terms of production lost and GDP decrease. Comprehensive data on the impact of the pandemic crisis are not yet available, but national estimations point at substantial decrease rates of the GDP for 2020 in the entire area.

In Puglia Agriculture still represents one of the most important sources of wealth for the region, while Molise is mostly characterized by the presence of SMEs and a very small part of large enterprises. During 2018 Albania performed a real GDP annual growth rate by +10.5%, but it is expected that this trend may be negatively affected by the devastating earthquake and the consequences of the measures taken to halt the spread of COVID-19. The sectors that have resisted are Agriculture, Forestry and Fishing, Real estate activity, and Arts, entertainment and recreation services, other services. Over the last years, Montenegro experienced a rapid economic growth for 2018, the GDP per capita annual growth rate has been 8.7%. The economy of the country is service-oriented, and tourism represents the leading sector and the principal source of income.

## **1.3 Employment**

Despite the unemployment rate dropped to historical lows in Albania and Montenegro, on the whole in the Programme area unemployment continues to be higher than the EU average. After the peak reached in 2014, Puglia and Molise began to reduce the unemployment rate, but a slower pace with respect to national average. Also, youth unemployment depicts a structural issue as well as the participation of females in the labour market, who are still underrepresented. The share of young people neither in employment nor in education and training (NEET) are substantially higher than the EU. The COVID-19 lockdown further exacerbated the situation since it increased unemployment horizontally in all the sectors. Detailed policy options to support the unemployed people in the Programme area are needful, mostly addressed to more vulnerable social groups. Substantial impacts are expected also on the unemployment rate of older persons, as a consequence of the high number of SMEs closing during the pandemics.

## **1.4 Inequalities**

Critical in the Programme area is also the persistently low rate of female participation at the labour market: female unemployment rate is wheresoever higher than the corresponding average rate in EU. Considering the distance between the male unemployment rate and the corresponding female rate, and apart Albania

for some years, it is evident how much is higher this gap, especially in Puglia. The share of women in senior and middle management positions does not exceed the 30% wheresoever. The societal structure and the lack of effective public support structures for working women in the Programme area may certainly play a major role in these trends.

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, projects in all priority axes, are expected to also actively promote the rights of the Charter of Fundamental Rights of the EU, in compliance with article 9 of the CPR Regulation (EU) 2021/1060, and accordingly rights of dignity, freedom, equality, solidarity, citizens rights and justice, and their specifications, i.e. equality between men and women and prevention of any discrimination based on gender, age, nationality, ethnicity, health conditions (including disability), equality and non-discrimination, religion or belief and sexual orientation. Specific criteria are going to be applied at the stage of project selection, monitoring and evaluation.

In all Specific Objectives of the Programme, beneficiaries are also encouraged to collect consistent data across the countries concerned, in order to more effectively assess and address the needs of specific vulnerable groups, such as people with disabilities, people in isolated areas or other social groups at risk of poverty and social exclusion, in term of access to employment, education, health and social care, culture and other social services.

### ***1.5 Foreign trade***

Data on trade between the two sides of the Adriatic involved in the Programme area show that there are many areas of trade not yet fully exploited. Up to now, essentially agricultural products, food processing and textile-clothing-footwear sectors have seen the greatest concentration of trade contacts between the two shores of the Adriatic involved in the Programme.

### ***1.6 Innovation / Digitalisation***

The territories included in the Programme Area, although they have achieved decisive improvements, still do not show innovative performance of particular relevance. However, Puglia has many good practices in particular referred to the thickening of research-industry relations. Montenegro appears to be on a growth path based on innovation both from a regulatory and design point of view.

Apart from Puglia, the intramural R&D expenditure in the Programme area increased from 2013 to 2018 but it is still low if compared with the EU27.

Rural and disadvantaged areas across Europe, including the territories of the Programme Area, have been in particular affected by poor ICT outreach and internet connection which is presenting one of the significant obstacles towards economic development.

Due to the COVID-19 pandemic, the use of internet and digital technologies became essential, thus they should have a key role for the next agenda of the cross-border area. This claims for increasing efforts to enhance R&D investment and build up capacities in various technology domains. Decisive for all territories will be the availability of ICT expertise.

### ***1.7 Education***

The education and university systems have consistently improved in the last years, both in terms of students enrolled and in terms of quality of organization. However, Puglia and Molise still show lower

participation rates in education and training (25-64 age group) compared with the EU27 and Italy. In Montenegro these percentages are far from the EU8 averages.

Also in terms of population in 30-34 age class who attained tertiary education (Levels 5-8) the percentages are lower than the EU27 for all territories of the Programme area.

### **1.8 VET**

Vocation Education and Training systems in the programme area are still relatively young. If Puglia is performing well, the other territories need to consolidate and strengthen their VET strategies. As regards Albania and Montenegro, significant efforts have been implemented in recent years in order to meet EU targets for 2020 set by Riga Conclusions. There is a wide room for cooperation, in forms of joint and coordinated VET offer, in the general effort to meet the needs of qualified staff and to increase entrepreneurial capacity in the programme area. As an economic consequence of the COVID-19 crisis, many SMEs and micro-enterprises closed down, with a clear increase of unemployment. The need for re-qualification of the new unemployed work force is clearly growing.

### **1.9 Tourism**

The Programme area is characterized by a remarkable potential for tourism development and significant growth opportunities for the overall industrial chain. Apart from Molise, all the territories of the cross-border cooperation area have registered significantly progress both on the side of foreign arrivals and overnights stay but also in terms of employment growth. However, the tourism supply continues to be seasonal and coastal whereas the connectivity/accessibility system between the two parts of the Adriatic Sea (and outside the area) is still an issue and existing infrastructure and accommodation capacities inhibit a consistent development of tourism. Being one of the most important sectors in the area, tourism is still concentrated in coastal areas and only few main cultural and natural sites on the inland.

To provide a more dynamic development in continental areas, it is necessary to put in place adequate tourism services. The cross-border area may build also on destinations with a solid reputation among travellers and tourists.

Although both sustainable and slow tourism is becoming part of the National and Local Strategies, these territories suffer the lack of a joint long-term vision which claim for new institutional agreements.

The consequences of the COVID-19 crisis in 2020 for the tourism sector are particularly severe because the restrictions in spring and autumn 2020-2021, when cultural tourism has its peak, and partially in summer for Albania and Montenegro, combined with the interruption of several international air connections to the airports of the area lead to a dramatic decrease of overnight stays and of demand for touristic services. It is also likely that the worldwide health situation may partially convert tourism destinations into innovative tourism paths, including green, cultural, culinary, winery, wellness, experience, proximity tourism, and many more targeted forms of tourism.

It is well-known that tourism is a clear cross-cutting resource for the Programme area, thus it should be included in other policy domains. This is particularly true as regards transport and cultural development; indeed, transport development not only improves the access of individuals from abroad but it also stimulates and increases internal mobility, as it is considered strategic for the valorization of various tourism assets. Puglia region is experiencing social tourism initiatives aiming at facilitating access to tourism for less economically advantaged people trying to intercept how these different tourism products can be tailored to the needs to the beneficiaries also including disabled persons and elderly. Facilitating travel for

people with disabilities and the elderly is an exceptional business opportunity. Due to increasing ageing people, it will be also essential for the entire cooperation area to consider senior tourism as crucial to the reformulation of tourism or the range of available products and destinations, thus for increasing new market opportunities.

### **1.10 Biodiversity**

The overall cooperation area stands out for the presence of wide and rich natural areas and biodiversity. The variety of natural heritage as well as the differences in terms of planning and management between both the sides of Adriatic sea claim for more interconnected strategies and action plans.

The presence of important natural assets is still far away from becoming the main reason for attracting visitors. This depends on the one hand on the weak international image and reputation and, on the other hand, on the sluggish territorial marketing strategies. The most significant constraints also rely on the fact that the areas which have a special natural value are not yet well-organized or equipped to offer a quality standard stay to a large number of guests.

Over the last two decades, the overall Programme area is affected by the massive impact of human activities on biodiversity both terrestrial and marine which further slows down the sectoral development, whereas Albania, in particular, has been influenced by illegal hunting and uncontrolled fishing.

### **1.11 Culture / Creative industries**

Culture and creative industry in the Programme areas are still not enough developed; nevertheless, local and national Governments are investing in this specific sector, trying to attract both national and foreign capitals. The programme area is characterised by a rich historic and cultural heritage, as demonstrated by the number of historic and cultural sites and the Unesco World Heritage Sites located in the area.

Even if the creative industry is considered as an engine of increasing importance for the local economy, the total budget and the number of qualified human resources are not enough.

Given its cross-cutting nature and ideas-based support, cultural resources have to be exploited through the involvement of the involvement of both institutions and civil society in the policy-making process.

The COVID-19 pandemic is having a strong impact on the culture and creative industry sector, especially for theatres, museums, art exhibitions, auditoriums, arenas and public events in general, which will suffer of a severe overall reshaping and a long recovery process in the coming years.

In terms of cultural and historic heritage, that the territories of the programme area share, there are important communities, which keep the traditions and the language of the country of origin in all territories, in particular those deriving from historic migrations. Approximately 50 Albanian communities of Italy are distributed in the Regions Abruzzo, Molise, Campania, Basilicata, Puglia, Calabria and Sicily.

### **1.12 Other sectors**

For the Programme area, agriculture, food and fishing have an important social and economic role for the future development of the region. Territories of the cross border area will face common challenges such as the scarcity or lack of innovation and productivity, quality and food safety controls (especially for Albania and Montenegro), but also difficulties in promoting typical and strategic food products which in turn result in a lower export propensity, that is further exacerbated by the effects of the COVID-19 pandemic.

Nevertheless, the pandemic has strengthening the strategic re-positioning of the whole agri-food supply chain, including fishing, proving its countercyclical nature compared to other supply chains. It follows that improvements in quality, traceability and overall standards are necessary to face demand shifts, as a result of commerce slowdowns. Other pandemic affecting vegetables and animals has a strong impact on agricultural, food and fishery sector, such as e.g. the *Xylella Fastidiosa* for olive grows, alien fish species destroying maritime ecosystems or bird flus regularly affecting industrial farming, need to be addressed.

In the Italian regions of Puglia and Molise, the fashion sector decreased in recent years in terms of quantity, but quality production has been preserved. The fashion industry in Albania is also relevant, and it can also count on extensive incoming and outgoing trade relations with Italy. In the Italian territories covered by the Programme, the mechanical sector is significant in terms of employment. It remains one of the strategic sectors also for Albania, as it allows technical and technological advancement also in the other manufacturing sectors for which it produces equipment and plants.

### ***1.13 Climate change / Risks***

Over the last years the territories of the Programme area have significantly increased actions and measures in the attempt of reducing the level of emissions. The increasing temperatures and air pollutants remain a big concern, especially in the industrial areas such as those close to steel industrial pole in Taranto and particularly in Albania, due to the increasing industrialization and urbanisation processes. At the same time, Montenegro is attempting to implement measures facing the global warming in compliance with EU standard within the pre-accession process. A main priority for the Programme area will remain to restore natural balances and degraded habitats. The restoration of natural habitats and its systems is crucial to preserve the functioning of all the mechanisms of the biosphere.

Climate change has a direct correlation to risks of natural catastrophes, such as wild fires, floods, landslides, coastal erosion and damages for extreme weather conditions. Additionally, the linkage between air quality and diseases is well-known. Exposure to natural and artificial risks highlights different issues in the territories of the Programme area. It is evident the high risk to landslide, floods and earthquakes in Albania, due to the morphology of the territory and increasing soil use. In Puglia, seismic, floods and landslides risks are lower; however, the area at higher risk is the northern part close to the borders with Molise.

Interventions are needful for the adaptation to modern seismic criteria with sound urban planning in order to contrast the increased vulnerability linked to mass migration from rural to urban areas and tourism mobility. These criticalities require new sustainable housing plans and joint regulation regarding tourism management and urban sprawl.

A common concern is the soil consumption. The degraded soil is strongly linked to coastal erosion caused by uncontrolled exploitation of the shoreline to foster tourism flows and housing construction; particularly, in Albania and Montenegro this is also due to the abusive construction and illegal housing. At the same time, de-population and abandoning of certain remote areas, especially on the mountains, lead to abandoned agricultural land, forests and water streams, which may become a threat for more populated areas on the plains and costs.

The need for a higher control of natural disasters is strictly related to pandemic crisis too. Natural disasters can impact the pandemic directly as they might exacerbated the use of health services and health infrastructure, making social distancing more difficult among people as well as the related utilities chain exploitation such as water supply and energy.

Artificial risks in relation to the maritime dimension are connected to maritime transports security and thus risk of oil spills, but also to illegal dumping, as well as linked to the underwater pipelines, such as risk of gas leaking in relation to the TAP pipeline.

In 2020, the COVID 19 pandemic provides further insights on the expected measures and actions to be implemented.

#### **1.14 Waste**

Within the frame of the EU environmental acquis, waste is one of the most demanding sectors in terms of resources –both human and financial- needed for the transposition of the EU legislation.

Particularly for the Programme area waste management is the cornerstone of sustainable environmental management and preservation of the natural habitats. Waste management is also connected to the maritime dimension of this Programme, as the marine litter is one of the key issues affecting the common sea, therefore prevention from any form of pollution, including plastic litter, is a cross-border priority as sea pollution does not stop at the border between the three countries.

#### **1.15 Water**

Water resources management is a strategic asset for the Programme area, as qualitative and quantitative characteristics of water management measures are directly and indirectly affected by the impact of human activities such as those related to tourism, housing, migration flows and population growth as well as intensive agriculture.

The cross-border area is rich of fresh water resources, except for Puglia where the karstic nature impedes an efficient collection and preservation. In fact, in Puglia the hot and dry climate and increasing variability of the rainfall patterns create serious problems to the competitive use of water resources.

The achievement of a sustainable balance between water demand and long-run sustainability use of the resource is related to the planning and implementation of regulations and law both on the side of institutional management and resource governance as well.

Despite the relatively high fragmentation, diversity and sometime scarce regulation system in the territories of the Programme area (especially in Albania and Montenegro) the Puglia Regional Authority seems to show particular interest for the safeguard of water resources. Thus, it becomes even more important to develop approaches and methodologies that are cross-sectorial and cross-border and could be integrated into the policy making process. This aspect could mutually support planners and decision makers in incorporating adaptation strategies, as part of traditional water management and protection plans by reducing burdens between the needful adaptation of new practices and emerging priorities.

These challenges are in line with the objectives of Water Framework Directive 2000/60 which laid the foundation for breaking the universal principle of having to satisfy growing demand with increasing amounts of water.

#### **1.16 Green & Blue Economy**

In the Programme Area, but especially in Puglia and Molise, due to consolidated national policy on electricity management, several incentives fostered investments of renewable energy both in public and private sector.

Albania Government, in the framework of the alignment to the *acquis*, is working on policy incentives and diversification of renewable energy sources; currently, the most important source of renewable energy is hydropower, which is not able to ensure a decreasing of dependency by energy import.

Montenegro is updating its regulatory framework as regards the overall energy sector whereas the production of energy from renewable sources is pretty relevant. The energy efficiency of public buildings of the cross-border area needs still to be improved also on the basis of good practices developed in recent years. Many public buildings are still built in times, when poor thermal insulation was used and thus are still very inefficient and highly energy-dependent.

Consequently, the importance of a green strategy is now perceived as essential for the cross-border cooperation area. All the territories are called upon to play a crucial and more active role to develop green technologies characterized by a lower impact on the environment.

Despite intentions, the green strategy in Albania is still quite weak. During the transition period, traditional sectors have almost disappeared and new products have to be developed.

The EC with “The EU Blue Economy Report 2020” emphasizes the performance of the EU economic sectors related to oceans and the coastal environment. The EU blue economy sector shows in 2018 a turnover of €750 billion and about 5 million people working, increased by more than 11% compared to 2017.

The blue economy remains a new concept for the Programme area. Indeed, whereas the ‘green economy’ aims at preventing the environmental degradation and imbalances, the blue economy mostly highlights the productive use of marine resources for sustainable development.

The main feature of a maritime cooperation programme is the sea, where the state border is located, and which separates and unites the participating countries. As such, the Sea is a key environmental, economic and cultural resource for all territories of the programme area on the one hand, but one of the main obstacles of cooperation on the other.

In the case of cross-border territories, sectors such as maritime economy seem to be highly relevant, as considered one of the main domains with the best innovation potential which requires interactions from public and private to be actively engaged in a growth process.

The above-mentioned networking mechanism may also provide the identification of skilled workers in the various sectors forming the blue economy aggregate. Indeed, the territories of the Programme area are historically devoted to agriculture, traditional manufacturing, tourism and fishery and the lack of competencies emerges in the manufacturing part of the value chain as well as the supply of specialized services sector.

This aspect also focuses on the problem of public policies connected to the sea, historically sectorialized and not oriented towards approaches aimed at intercepting the synergies between the different sectors such as coastal tourism and fishing, coastal protection and boating or between algae cultivation, fishing, tourism and aquaculture.

It is essential that investments in the blue economy may generate long-term social and economic benefits.

### **1.17 Ports**

The ports of Bari and Brindisi are positioned in an intermodal network, able to intercept the Adriatic motorway traffic and the railway network that is well connected to Central and Northern Italy, as well as

with Bari Airport. At Costa Morena terminal, in Brindisi Port, a rail has been constructed and it will be soon become operative in order to ensure sea-rail intermodal.

The port of Durres, the biggest one of Albania, is well connected both to the city centre and to the railway network. As regards to the port of Bar in Montenegro, it is linked to the railway system which ensures connections with Podgorica and Belgrade (Serbia).

Over the last few years the port network in the Programme area showed significant progress mostly in terms of passenger traffic. In particular, the port of Bari and Albanian ports displayed a solid increase in cruise tourism flow and passenger flow.

Durres-Bari and Valona-Brindisi represent the main connections between Italy and Albania thanks to ro-ro (roll on – roll of) pax and ro-ro cargo connections among these ports as well as with Greek and Croatian areas (among Bari, Brindisi and Patras, Igoumenitsa, Dubrovnik).

The port of Bar, which is the most important in Montenegro, is well connected to Italy (Bari – even though seasonal - and Ancona). However, while the traffic of goods increased in Montenegrin port, passenger flows from and to Montenegrin ports decreased consistently.

### **1.18 Airports**

In the last decade, the whole Programme area (except for Molise) experienced a significant growth of air passenger traffic as well as the opening of new air routes within Europe and beyond. This positive dynamic can be associated with the concurrent development of the tourism sector. Moreover, investments in infrastructures are foreseen on existing airports and in the constructions of new ones (especially in Albania and Montenegro).

However, cross-border connections remain poor, considering that the only available air-connections are Bari-Tirana and Brindisi-Tirana.

The subsequent socio-economic crisis caused by COVID-19 is hardly hitting the transport and tourism sectors (which are strictly connected) and it will have severe consequences in the forthcoming months and years.

### **1.19 Railways**

Railway networks are not well developed in Albania and Montenegro, especially in terms of capillarity on the territory. The whole Programme Area lacks high-speed railways and most of the system consists of non-electrified one-track lines. However, investments in infrastructures are foreseen in all territories.

Currently there is a rail connection between Tirana and Podgorica but it is devoted only to freight traffic. However, a project for reconstructing this rail connection to allow passenger traffic connection is under evaluation by both countries.

With the limited programme budget, no infrastructural rail investments are possible, but only soft measures improving the framework conditions enabling or supporting further investments on the railway system.

### **1.20 Roads**

Road network in the Programme area has still a potential development aiming firstly to foster the mobility through the increasing of accessibility to highway and main roads from isolated areas. In the Italian area, the local governments are working in this direction through investing EU funds.

The road system on the Italian side is mostly composed by provincial and rural roads, whereas national roads and motorways are mainly located along the coastline.

In Montenegro and Albania national strategies are currently being implemented, in accordance with European standards; the two countries are connected through the route Vlore-Tirana-Durres-Skoder-Podgorica, while Podgorica is directly connected to Belgrade (Serbia) and Dubrovnik (Croatia). Very important is the development of the Adriatic – Ionian expressway. Montenegro Government has planned to develop a highway network along the coastline, to be implemented in the framework of the Adriatic-Ionian corridor which will connect Croatia and Albania (Ministry of Transport and Maritime Affairs of Montenegro, 2019).

With the limited programme budget, no road infrastructures may be financed, but only soft measures supporting sustainable policies related to improvement of the efficiency of the road transport systems.

### **1.21 Health & Social Care**

Even if the health system of the Programme area improved in management, much needs to be done in quality and services. The increasing and complex governance of health systems claim for more efficiency, organization and effectiveness but also new and more workforce in order to reduce the high hospital migration rates. Thanks to the increased digitalisation and use of technologies (such as with the tele-medicine and e-health), even in a maritime cross-border area, there is wide room for cooperation among health systems.

In the last years, both Albania and Montenegro are starting to align their health policy with the EU acquis trying to improve the management of dedicated public funds and guarantee skilled personnel.

In the Italian part of the Programme area the hospital migration is still quite high, especially in Molise.

COVID-19 pandemic has also severely affected the healthcare of the areas of interest, providing the need for a new awareness about the demand for modernization and new dynamism of the whole health system.

For other health services (e.g. dental health, cosmetic surgery, etc.), there is an important cross-border market, which is growing because of the competitive advantage of certain private health services across the border.

Data on social care and protection show some progress have been done to answer to local needs of people at risk of poverty and social exclusion. However, the share of people at risk poverty and social exclusion is still comparatively high if compared with the EU27 percentage. This claims for faster and more consistent interventions by the institutions of the Programme area, considering the impact of COVID-19 pandemic which have further exacerbated the social conditions and enlarged the gap of specific population groups.

There is room for a cooperation also within the social care: e.g. the growing elderly population of certain regions may need more services from social care workers, who may also be present in another region and country of the Programme area.

### **1.22 Do no significant harm principle**

The “do no significant harm” principle (DNSH) pervades the implementation of the whole programme in all actions of all Specific Objectives, , in compliance with Regulation (EU) No 2020/852, therefore this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

## **2 COMPLEMENTARITIES & SINERGIES**

Following up on the indications provided by the European Commission in the Border Orientation Paper, the programming Task Force has started technical discussions with the Managing Authorities of ADRION (see also annex on partnership involvement), as well as with the EUSAIR actors. The overall goal is to establish a structured and on-going coordination among Interreg programmes and the EUSAIR, as these share operations in the same cooperation area. As a preliminary phase such cooperation shall be based on identified common objectives/ topics/ themes, which dealt with a common approach can have stronger impact in the territory. The overview table produced by Interact makes it evident that all programmes and EUSAIR specific objectives are widely aligned, with a big focus on the specific objectives related to P.O. 2 Greener Europe, with specific objectives such as risk management and biodiversity, as well as on P.O. 1 and 4 Smarter and Social Europe, with specific objectives related to enhanced skills, training and the promotion of cultural heritage for the benefit of sustainable tourism.

Inter-programme coordination modalities will be defined according to the implementation schedule of the different programmes throughout:

- a. Common monitoring tools (same application, reporting and monitoring templates i.e. HITs, use of the same monitoring systems, such as the Jems);
- b. Potential shared activities (joint communication events by targeted theme / policy, capitalization activities across different programmes, such as with ADRION, alignment in the project selection criteria and guidance towards capitalisation and EUSAIR to project applicants);
- c. The programme area is located at the heart of the EUSAIR area, but of course, as CBC only a part of the EUSAIR is covered and the specific objectives are aligned with the macro-regional pillars, actions and flagship projects as highlighted below.

The 2021-27 programme widely builds on the experience of the 2014-20 programme also for coordination with other programmes, especially Interreg (ADRION, MED, Danube, IT-HR, GR-IT, Interreg Europe) and Interreg IPA and ENI (GR-AL, HR-BiH-ME, EuroMed). Complementarity with transnational programmes covering the same area is based on: the territorial governance level focused (i.e. NUTS II for transnational, NUTS III for CBC), and the focus of the interventions (i.e. land/maritime policy-making for transnational, practice-oriented maritime interventions for CBC). 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 and 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 established in 2021-2027, which the JS/MA is going to actively participate in.

As it is emerging from the on-going development of the Partnership Agreement for Italy and in setting the priorities for IPA national programmes, also the National and Regional programmes are going to strongly focus on the green deal and digital agendas, as the Programme is going to do with its P.A. 2 and as cross-cutting issue in all other P.A.s. The same occurs for the EU programmes directly managed by the EU Commission. Project partners will be guided to seek complementarities to those actions financed. In particular, project selection criteria and guidance will value all those projects having strong synergies to operations financed within strategic national-regional programmes and EU Commission programmes, such as e.g. major infrastructural works and investments related to research, environment, sustainable mobility, social issues, etc.

Additionally, the representatives of Puglia Region and Molise Region at the monitoring committee have a clear link and role also with the respective Regional Programmes (ERDF, ESF). Moreover, the Italian Government participate in the works of the monitoring committee both with the presidency of the council and the Ministry for Foreign Affairs. In a similar way, the National Authorities of Albania and Montenegro are both located in the same institution of the NIPAC and thus the link to the IPA national programmes and IPA-IPA CBC programmes is assured (specifically AL-MK, AL-XK, AL-ME, ME-RS, ME-XK). Close connections and knowledge exchange are assured especially by the persons, who participate in different programmes with similar monitoring functions, and who act as facilitators of synergies and complementarities among different programmes.

In compliance with article 22 of Regulation (EU) 2021/241, beneficiaries are going to be required to avoid overlapping and ensure complementarities with the actions financed through Italy's National Recovery and Resilience Plan (NRRP) and the Recovery and Resilience Facility, especially in priorities shared with these instruments, such as clean energy transition, green and blue investments, circular economy, climate adaptation and risk management, mobility and regional connectivity.

Complementarity with the initiatives of the Italian Ministry of Foreign Affairs is also going to be assured in future projects 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.

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 EU Long Term Vision for the Rural Areas.

Synergies and complementarities at project level are going to be monitored through specific focus also with Erasmus+, Seal of Excellence, Digital Europe Programme or Connecting Europe Facility 2 Digital.

Actions like Green Public Procurement, nature-based solutions, lifecycle costing criteria, standards going beyond regulatory requirements, and avoiding negative environmental impacts will be encouraged already at the stage of project selection in all Specific Objectives.

The programme intends to contribute to the objectives of the New European Bauhaus initiative while encouraging its projects to bring citizens, experts, businesses, and Institutions together and to facilitate conversations about making tomorrow's living spaces more affordable and accessible and while reimagining sustainable living. All in all, projects shall strive to improve the quality of the living experience of the citizens, while highlighting the value of simplicity, functionality, and circularity of materials without compromising the need for comfort and attractiveness. Innovative ideas and products shall be awarded throughout all selection procedures.

As thoroughly explained in all chapters of this Programme (see digitalisation and sustainability), the objectives of the EU digital and green transition strategies must guide the beneficiaries through all actions in all Specific Objectives.

### ***3 LESSONS LEARNT FROM 2014-2020***

In 2014-2020 the programme was newly established, even though it was built on previous cooperation experiences and partner networks, such as the 2007-2013 IPA Adriatic and the 2000-2006 Italy-Albania programme.

Below key lessons learnt from the 2014-2020 programme were analysed by the Joint Secretariat:

#### ***3.1 Allocation & Expected Impacts***

- A generally wide interest, i.e. very high number of project proposals were submitted, with requested budgets widely exceeding the funds availability. With the targeted call and thanks to the measures adopted, the success rate in terms of financed projects and budget improved substantially, i.e. almost doubled.

- The unbalances of financial allocations among territories resulting from the calls are a direct consequence of the different size of the territories and the requirements in the calls: In the first call the requirement was at least one project partner per country, in the second call one partner per territory (thus incl. Italian NUTS II, Puglia and Molise), in the thematic projects equal share of responsibilities among territories was decided. Therefore, territories scarcely populated, such as Molise and Montenegro, may potentially benefit more from the Programme financing than territories with high population density, such as Puglia, regardless of the type of selection (open call or top-down), as a main consequence of the application of the equal treatment principle and consensus-based decision-making at the JMC. At the same time, to achieve expected results, small territories need to strengthen their capacities to manage the significant amounts, given also the more limited number of potential partners.

### **3.2 Composition of partnerships**

- Globally, the participation reflects on the size of the territories in terms of population, but also on the overall administrative capacity and previous cooperation experience of the applicants involved (e.g. most of LPs from Italy). One of the reasons is also related to the limited capacity of advance costs (reimbursement principle), which is an important issue both for Albanian and Montenegrin partners, less for Italian partners.
- It is interesting to remark that there is a 41% recurrence of the same partners, i.e. like in other Interreg programmes there is a certain Interreg specialisation, especially in Montenegro and in Italy. Nonetheless, the targeted call shows also numerous new partners, who never participated in Interreg before, thanks to the Small Scale Projects approach. The thematic projects count 27 out of 51 new partners (52,94%), while the second call projects count 33 out of 69 new partners (47,83%) and finally the small-scale new partners were 25 out of 40 partners (62,50%).
- As an outcome of the targeted focus of the second call and limitations of the call, set to counterbalance the unbalanced participation of NGOs and ministries/ regional bodies in the first call and thematic projects, in the targeted call the Ministries/ Regional bodies participation decreased of 12%, the Universities of 5% and the NGOs/Associations increased of 14%. As for thematic projects, the overwhelming majority of partners is from central administrations, ministries or regional bodies in Italy, which is a direct consequence of the legal responsibility of these public administrations in the topics selected.
- The majority of Partners are located in the main cities of the programme area (Bari, Tirana, Podgorica/ Cetinje, Campobasso). The majority of interactions (number of times a partner located in these cities participates in a project) take place among these major cities. There are some specific areas, which lag behind in the participation such as Northern Puglia/ Foggia, Eastern municipalities of Albania and Montenegro (isolated – mountain areas), Southern part of Albania.

### **3.3 Themes selection**

- In general, during the first call, which was open to all priority axes without limitations, the territorial stakeholders showed a higher interest in P.A. 1 Competitiveness (+8,44% requested, compared to the budget allocation of the programme), interest confirmed with the choice made with the thematic projects, as well as in P.A. 2 (+10,4%). At the same time, they showed a lower interest in P.A. 3 (-6,55% compared to the budget available), especially as for S.O. 3.2 Energy, which had to be counterbalanced in the targeted call with exclusion of S.O. 3.1. Also in the targeted call, applicants focused on P.A. 2, especially S.O. 2 Tourism, while P.A. 1 competitiveness showed a little interest, due to the limited budget available (100.000 € only for one small scale project).
- In both open calls, applicants also showed lower interest in P.A. 4, as top down thematic projects with high budget are more suitable for Transport projects, as demonstrated by the P.A. 4 thematic project, which with 7 Mio. € is the biggest project.
- Topics, which stand out throughout the projects as recurring topics, are: The agricultural-food industries sector and blue economy; the digitalisation of services for SMEs and citizens; risk management; marine litter and circular economy; maritime and multi-modal transport links. This may be considered for the 2021-27 capitalisation potential, as well as for the definition of projects of strategic importance.

The Joint Secretariat made a qualitative assessment of the focus of each project activities in relation to the new priority and specific objectives proposed by the 2021-27 regulations for Interreg (ERDF/ETC). In the

assessment a score was provided on the alignment of the activities of each project with the 2021-27 priority and specific objective (from very weak = 1 to very strong = 5):

- The focus of all project activities is usually stretched across several P.O.s and S.O.s. depending on the nature, the type of actions and the target groups, regardless of the Priority Axis of the project. For example, P.A. 4 transport projects include often environmental actions, P.A. 2 tourism projects often focus on competitiveness for touristic SMEs, capacity building and joint trainings are included in all axes, etc.. The activities of the 2014-20 projects overall are mostly focused on P.O.1 Smarter EU objectives (29,9%), as well as Greener EU (22,2%), while I.S.O. 2 Safer EU (1% with only one project having activities focused on safer EU) and I.S.O. 1 Interreg Governance (5,3%) are rather less focused. Interestingly, many activities (14,3%) had a strong social approach, connected to health and capacity building (especially joint training of PO 5), even though no priority axis of the Programme was devoted to social issues. Within each the specific objective, it is interesting to remark that several project activities in PO 1 are focused on SMEs and Digitalisation, in PO 2 on energy efficiency, biodiversity and risk management, in PO 3 predominantly on multimodality, in PO 4 on joint trainings, in PO 5 on local strategies for the promotion of the cultural heritage and in I.S.O. 1 on the efficient administration. These trends give also an important indication about the main interest and capacity to deliver of the territories. This indication has to be considered also in terms of capitalisation activities in 2021-27 programme, as well as for potential projects of strategic importance.

In continuity with the 2014-2020 Programme, the 2021-2027 Programme intends to use the electronic monitoring system developed through the Interact programme, in order to ensure that all exchanges between beneficiaries and all the programme authorities are carried out by means of electronic data exchange, in accordance with the e-cohesion principle and Annex XIV of the CPR (EU) 2021/1060.

During the implementation of the Programme the Managing Authority intends to 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, i.e. when feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures.

#### **4 MACRO-REGIONAL STRATEGIES**

Even though the programme area does not cover an entire macro-region, the programme area is fully included and it is widely aligned with and contribute to achieving the goals, actions and flagships of the EU Strategy for the Adriatic-Ionian Region (EUSAIR). Montenegro is also included in the Danube macro-region and the whole area is included in the Mediterranean context and thus project actions may also contribute to the goals of the EUSDR in Montenegro and WestMed Strategy in Italy.

In particular, the EUSAIR is a strategic framework for the programme, as it provides strategic direction for selecting objectives, it is going to provide key criteria for selecting projects, as well as for monitoring and evaluating these. The programme complements the EUSAIR, because, while the EUSAIR focuses on the strategic policy-making mainly at national / subnational governance levels (NUTS I/II), the Programme mainly focuses on the local level's needs (NUTS III), while financing services – small investments.

Specifically, this is how each S.O. selected are aligned with the EUSAIR goals and actions:

1.1 SMEs: The contribution to the pillar 1 of the EUSAIR is evident in the support to SMEs of the programme area focused on Blue technologies, Fisheries and aquaculture and Maritime and marine governance and services, while at the same time supporting more innovation and R&D investments for SMEs. In particular, the future projects will certainly support the implementation of parts of the newly developed EUSAIR flagship projects no. 1.1 Blue technologies, flagship no. 1.2 Fisheries and flagship no. 1.3 Blue Growth, as they may capitalise also on the results and partnerships of the 2014-2020 projects, such as e.g. 3C4SME, SMART ADRIA, ADRINET, FOOD4HEALTH and FILA.

2.1 Risk: The contribution to the EUSAIR pillar 3 is made evident with the EUSAIR flagship no. 3.1 Oil spill risk, which may take advantage of the civil protection partner networks of the projects, such as e.g. FLAT, TOBEREADY and 3WATCHOUT.

2.2 Biodiversity: The contribution to the pillar 3 is going to be possible through the support to soft measures both on Marine environment and on terrestrial habitats and biodiversity (excluding measures listed in annex I and II of the directive no. 2011/92/EU). In particular concrete actions will be implemented within the flagship projects no. 3.2 Habitats, which may capitalise on the project LASPEH e.g., and no. 3.3 ICZM and MSP, which may capitalise on the projects, such as e.g. BLUE LAND and WELCOME.

2.3 Energy: Contribution to pillar 2 of the EUSAIR is provided through actions on efficiency of Energy networks, with flagship no. 2.2 Power networks, also taking advantage of the partner network of the REEHUB project e.g..

3.1 Intermodality: A clear contribution to pillar 2 of the EUSAIR is provided especially through actions on Maritime transport and on Intermodal connections to the hinterland. In particular, the future projects will certainly support the implementation of parts of the newly developed EUSAIR flagship projects no. 2.1 Corridors, while capitalising on the results of the 2014-2020 projects, such as e.g. ALMONIT-MTC, SAGOV and PORTS.

4.1 Skills: Contribution to pillars 1 and 4 of the EUSAIR are going to be cross-cutting with most of the projects focused on increasing skills and competences. Especially within the pillar 1, with activities focused on the necessary skills for the Blue economy and on skills necessary for digitalisation and tourism.

4.2 Inclusive tourism: Contribution to EUSAIR pillar 4 especially with actions focused on Diversified tourism offer (products and services) and on Sustainable and responsible tourism management (innovation and quality). Specifically, a contribution to the flagship no. 4.1 Tourism clusters, while capitalising on the results and partnerships of 2014-2020 projects, such as e.g. COCOTOUR, HAMLET and PAST4Future, but also to flagship no. 4.2 CULTOURAIR, capitalising on projects, such as e.g. NEST, INNOTOURCLUST, 3C and 3DIMPACT and also to flagship no. 4.3 AIR CULTURAL ROUTES, while building on the results of projects, such as e.g. DUEMARI, TOURNEE, CROSSBORDEROL, ADNICH, MONET. In general, the cross-cutting issue tourism and culture is aligned with the pillar 4 of the EUSAIR.

5.1 Efficient administration: Contribution to the EUSAIR cross-cutting issue "capacity-building" is going to be assured, also with the support to pre-accession exercise to adopt the EU acquis, which is a cross-cutting issue for the programme.

- 1.3 Justification for the selection of policy objectives and the Interreg-specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure. Reference: point (c) of Article 17(3)

***Priority: PA 1. A smarter South Adriatic programme area, by promoting innovative and smart economic transformation***

***Selected policy objective or selected Interreg specific objective:*** 1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity

***S.O. 1.1 SMEs***

***Selected specific objective:*** RSO1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments

***Justification for selection:*** The territories within the programme area have joint economic challenges / potentials, which may be more effectively addressed together across national borders. The cross-border dimension of small-medium enterprises (SMEs incl. micro enterprises) in the blue sector and in all sectors indirectly connected to the maritime dimension, such as tourism, food processing, creative industries, aquaculture, fishery etc. is not yet sufficiently exploited as an opportunity for joint growth of the territories. MSMEs are the backbone of the supply and market chain of the programme area, especially in some strategic sectors such as mechatronics, aero-spatial, agro-food. The maritime border makes it more difficult for SMEs to fully take advantage of joint opportunities across borders. Currently, the programme territories import and export goods and services mainly outside the programme area. Joint measures in favour of local MSMEs would contrast unemployment and the migration of younger population to more attractive locations. The programme has a great potential to improve the framework conditions for growth of MSMEs. It may support them in filling in specific gaps, such as the limited R&D investments, the access to research and highly qualified staff, or for touristic, cultural and creative MSMEs to recover from recent crises and grow. Touristic, cultural and creative operators may highly benefit from an effective management of the natural and cultural heritage of the programme area too. It may also complement the smart specialisation strategies adopted. MSMEs play a key role in the health and long-term care systems of the territories, which would benefit from more coordinated services, especially through enhanced digitalisation/ e-health. There is also a great potential for a cross-border market for private healthcare services (e.g. cosmetic, long-term care services). A clear majority of partners consulted during programming focused on improving the framework conditions for growth of MSMEs. Lessons learnt in 2014-20 demonstrate that in these themes partnerships were capable of achieving sustainable results, such as quadruple helix, improving conditions for blue, agro-food, touristic MSMEs. The form of support is grant - see annex 9 (1).

***Priority: PA 2. A greener South Adriatic programme area, by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk management***

**Selected policy objective or selected Interreg specific objective:** 2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility

### **S.O. 2.1 Risks**

**Selected specific objective:** RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches

**Justification for selection:** The programme area faces joint natural and artificial risks, which do not stop at national borders. As highlighted by the territorial analysis, the direct or indirect consequences of climate change badly hit all territories of the programme area and may be more effectively tackled together. The entire programme area is prone to natural and man-made catastrophes: Risks like coastal erosion, floods, wildfires, droughts, earthquakes, landslides, oil spills, human, animal / vegetable pandemics are only some of the most important threats. Innovative technologies and practices may be tested for detecting, monitoring and mitigating those risks, as well as more effectively across national borders. Several partners consulted during programming stressed that cooperation in risk management is a key need of the territories, where the benefits of cooperation are evident. Lessons learnt in 2014-20 demonstrate that in these themes partnerships were capable to achieve sustainable results: local communities could effectively increase their capacity to predict, monitor, prevent and respond to risks, even through strategic projects & common investments, digital & physical investments (excluding measures listed in annex I and II of the directive no. 2011/92/EU). The form of support is grants -see annex 9 (1).

### **S.O. 2.2 Biodiversity**

**Selected specific objective:** RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

**Justification for selection:** The environment of the programme area faces joint challenges, which do not stop at national borders. The common sea, where the maritime border is located, may be effectively protected only together. As highlighted by the territorial analysis, the direct or indirect consequences of climate change and human activities on the ecosystems badly hit all territories. A joint effort is needed to protect the fragile coastal, rural and natural landscapes and urban green areas, e.g. in the implementation of ICZM & MSP. Increased maritime litter, ghost-fishing, illegal fishing, waste and sewage water treatment, abuse of pesticides and nitrogen fertilisers in agriculture are only some of the most important elements affecting the environment. At the same time, the territories share rich natural assets, which provides also for great socio-economic potentials, if exploited in a sustainable way, e.g. through green technologies. Several partners consulted during programming stressed that cooperation in green topics is a key need, especially as for the protection of the natural habitats. New forms of green economic development and tourism services have the potential to mitigate or redirect the pressure of human activities on the environment. Lessons learnt in 2014-20 demonstrate that in these themes partnerships were capable to achieve sustainable results: local communities tackled maritime litter / natural habitats management or shared management models for water management / sustainable tourism through soft measures. The form of support is grants -see annex 9 (1).

### **S.O. 2.3 Energy**

**Selected specific objective:** RSO2.1. Promoting energy efficiency and reducing greenhouse gas emissions

**Justification for selection:** ... Climate change is a global challenge, which does not stop at national borders. Only together countries may make a difference in the global reduction of CO2 emissions. A joint effort is needed to increase energy efficiency and the use of alternative energy sources, especially while building up on successful practices in place. The green economy related to energy provides also for a great socio-economic potential, e.g. through the use of green and blue innovative technologies in all economic sectors, such as constructions, public buildings, agriculture, tourism, etc. Several partners consulted during programming stressed that cooperation for a more efficient energy consumption is a key need. Lessons learnt in 2014-20 demonstrate that in these themes partnerships were capable to achieve sustainable results, with partner networks testing innovative energy efficiency measures for the reduction of CO2 and for the strengthening of alternative and clean energy sources. The form of support is grants-see annex 9 (1).

### **Priority: PA 3. A more connected South Adriatic programme area by enhancing mobility and regional connectivity**

**Selected policy objective or selected Interreg specific objective:** 3. A more connected Europe by enhancing mobility

#### **S.O. 3.1 Intermodality**

**Selected specific objective:** RSO3.2. Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility

**Justification for selection:** Connectivity of the programme territories across the maritime border is a major challenge and a major obstacle, as an efficient transport network is a precondition to any economic and social interaction. In the Southern Adriatic cross-border area maritime and air links are lagging behind or only seasonal. Many areas are scarcely accessible, especially some inland isolated areas or some coastal communities, as well as cities, which are inefficiently connected to key transport hubs. Sustainable air, road and maritime linkages to TEN-T networks nodes, as well as inland areas access to TEN-T nodes, are also lagging behind. The mid-term consequences of the recent crises on the air, road, rail, maritime traffic need also to be addressed. The programme has a great potential to set-up appropriate administrative / legal arrangements and of transport strategies to overcome these major obstacles and to enhance greener and sustainable transports, but also to finance soft measures to improve the framework conditions for the functioning of the existing transport infrastructures, strategic for the area. This is also confirmed by the results achieved by 2014-20 projects in these themes: The conditions for a sustainable improvement of maritime transport links were made possible and needs to be continued. Partners consulted during programming stressed that cooperation has a great potential to contribute to a more efficient connectivity of the territories. The form of support is the grants -see annex 9 (1).

## **Priority: PA 4. A more social South Adriatic programme area**

**Selected policy objective or selected Interreg specific objective:** 4. A more social and inclusive Europe implementing the European Pillar of Social Rights

### **S.O. 4.1 Skills**

**Selected specific objective:** RSO4.2. Improving equal access to inclusive and quality services in education, training and lifelong learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training

**Justification for selection:** Also from the perspective of social cohesion, the programme area faces joint challenges, which may be effectively addressed together. As highlighted by the territorial analysis, the direct or indirect consequences of the recent economic and pandemic crises, badly hit all territories. Consequently, the level of unemployment and social inclusion issues are expected to grow. The territorial analysis has highlighted that vocational training, as well as recognition of professional qualifications, is lagging behind in the programme area, especially in IPA countries. In all economic sectors, there is a lack of specialised and skilled persons, taking into account the progressive social transformation, due to the technological transition in all sectors of the economy. Especially the EU part of the programme area suffers from an ageing population. Vulnerable social groups, such as young, NEETs, unemployed over 40 y-o, disabled, women, citizens of isolated areas, etc., would largely benefit from training opportunities, both in terms of equal access to streamlined education/training, and targeted quality training. This could also contribute to contrasting the migration of skilled and young population, especially in areas affected by depopulation. Several partners consulted during programming stressed that many cooperation actions should aim at increasing skills for specific citizens groups or economic sectors, such as tourism, creative industries, digital sectors or in specific areas, and in general that training is crucial for social cohesion. Lessons learnt in 2014-20 demonstrate that in all cooperation themes partnerships were capable to build capacities of the target groups effectively through many training opportunities. The form of support is grants -see annex 9 (1).

### **S.O. 4.2 Inclusive tourism**

**Selected specific objective:** RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

**Justification for selection:** As highlighted in the territorial analysis, culture and tourism are a key driver of economic development of the cross-border area and investments in these sectors generate clear added value along the whole value chain. During the COVID crisis, these sectors had to endure long suspensions of activities, which are certainly going to have severe mid- and long-term socio-economic impacts, especially on employment. On the other hand, the crisis may also be turned into an opportunity for transformation of these sectors, if the investments are strategically steered. As stressed by several partners during consultation, in these sectors new opportunities and new services are needed e.g. for the most vulnerable social groups, such as unemployed, youth, elderlies, vulnerable groups, women, disabled, etc. As a consequence, it is necessary to invest in people skills and in creating new opportunities for a sustainable and digital development of tourism, creative industries and cultural sector, while at the same time involving local communities and vulnerable social groups. A large number of 2014-20 projects delivered sustainable results in these sectors, including innovative and sustainable strategies and models involving local

communities, inclusion of tourists with special health needs or of marginalised communities in suburban areas. The form of support is grants -see annex 9 (1).

## **Priority: PA 5. A better governance in the South Adriatic programme area**

**Selected policy objective or selected Interreg specific objective:** 6. Interreg: A better Cooperation Governance

### **S.O. 5.1 Governance**

**Selected specific objective:** ISO6.1. Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders (all strands)

**Justification for selection:** Besides the natural and linguistic barriers of the maritime border, on the borders between Member States and Pre-Accession countries there is also an administrative barrier, connected to the still different administrative settings of non-EU countries, being currently adapted to the laws and administrative practices of the European Union, in view of accession. The adoption of the *acquis communautaire* connected to the cohesion policy is a key part of the accession exercise. This barrier is evident not only in the different written rules, but also in the unwritten administrative approaches, mainly due to different institutional and political settings of the recent and less recent history. In addition to that, all territories including the EU regions of the Programme area, public administrations have a great potential for improving their efficiency, e.g. through an increased simplification and harmonisation of procedures and through enhanced digitalisation for the benefit of citizens and SMEs. 2014-2020 projects very often achieved significant results in simplifying and harmonising administrative procedures, such as e.g. in the company registers, or in common models for managing natural/ cultural sites. Several partners consulted during programming made explicit reference to actions aiming at administrative efficiency in different topics. The form of support is the grant -see annex 9 (1).

## **2 Priorities. Reference: points (d) and (e) of Article 17(3)**

### **2.1 Priorities Reference: point (d) of Article 17(3)**

#### **2.1.1 Specific objectives**

##### **2.1.1.1 *Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate. Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)***

The analysis of the types of actions of 2014-2020 projects lead to a classification of main types of actions financed by the Programme, which is kept for the 2021-2027 period: 1) Public services; 2) Digital services; 3) Small investments; 4) Innovative experimental applications; 5) Agreements; 6) Joint models / processes; 7) Capacity building / trainings (excluding measures listed in annex I and II of the directive no. 2011/92/EU). An indicative definition is provided in annex.

### **PA 1 - A smarter South Adriatic programme area, by promoting innovative and smart economic transformation**

#### **S.O. 1.1 Enhancing growth and competitiveness of SMEs through joint cross-border actions**

The focus of the actions shall be on:

Within Specific Objective 1.1. (SMEs), the actions shall aim at improving the framework conditions for growth and competitiveness of SMEs, incl. micro SMEs. This includes growth of touristic MSMEs, especially targeting green / sustainable forms of tourism, of cultural & creative MSMEs, e.g. through joint artistic productions, of MSMEs in the health-care and long-term care sectors, especially through e-health services, of MSMEs in the blue and in the circular economy (i.e. enhancing the growth of circular economy SMEs e.g. through pilot actions / plans focused on the reduction / valorisation of waste / residual bio resources), agri-food, etc.. The sustainable blue economy is going to play a major role also in compliance with new approach in the EU as set in the COM(2021) 240 final of 17 May 2021.

Additionally, this may include joint actions to increase innovation capacities of MSMEs, such as R&D actions involving MSMEs, incl. start-ups, implementation of S3 & S4 strategies, vouchers for business advice or capacity building (blue innovation), actions on efficiency of border-crossing procedures for MSMEs, actions for MSMEs to exploit marine bio-technology & research. This may also include actions aiming at protecting MSME's trademarks, patents, or cyber-security, fight against counterfeiting, as well as linked with the Adriatic - Ionian blue financing & Enterprise Europe Network & COSME. Actions may also aim at adopting EU rules for MSMEs, EU green transition & digital agenda for MSMEs.

Learning the lesson from 2014-20 projects of P.A. 1, existing and new clusters, platforms, networks and exchange of good practices among MSMEs, 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 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 going to be promoted.

In particular for this S.O., the beneficiaries are going to be encouraged to use and promote AI-based language technologies among SMEs, public authorities and universities/research centres of the South Adriatic programme area, such as the EU automatic translation service, eTranslation e.g.

As the "do no significant harm" principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, , in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

EUSAIR: in Pillar 1, especially for blue technologies in SMEs and R&D activities for SMEs, but also in Pillar 4, new services for touristic SMEs through the promotion of cultural assets.

***PA 2 - A greener South Adriatic programme area, by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk management***

***S.O. 2.1 Promoting climate change adaptation, risk prevention and disaster resilience with joint cross-border actions***

The focus of the actions shall be on:

Within Specific Objective 2.1. (Risk), the typical actions shall aim at promoting climate change adaptation, risk prevention and disaster resilience. Both natural risks (floods, landslide, earthquakes, wildfires, coastal

erosion, human/animal/vegetal pandemics, etc.), and man-made risks (oil spills, maritime disasters, etc.) may be focused by the actions. This includes risk management measures targeting specific groups such as touristic, cultural industries etc., or aiming at a mitigation of risks at border-crossings, or supporting the adoption of EU rules on risk management, or enhancing digitalisation in risk management, e.g. for monitoring and planning coastal / maritime environment.

As the “do no significant harm” principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, , in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

The actions of this specific objective are expected to actively contribute to the EU climate targets.

EUSAIR\*: \*Actions on this topic have a great potential to effectively contribute to the actions set by the EUSAIR action plan\* in Pillar 3, especially in relation to the increased preparedness for artificial risks, such as e.g. oil-spills, which has also been identified as a flagship project.

### ***S.O. 2.2 Enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution with joint crossborder actions***

The focus of the actions shall be on:

Within Specific Objective 2.2. (Biodiversity), the actions shall aim at enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution, including water, soil and air pollution (such as PM emissions). This includes actions to effectively manage the natural / cultural heritage for green tourism or water resources and landscapes, including actions for adopting ICZM & MSP (e.g. to reduce pressure on the marine environment e.g. through spatial planning & control of timing of human activities, making the socio-economic use of maritime resources compatible with the protection of areas of high environmental relevance). Still within the final goal of protecting natural habitats and reducing pollution, and only functionally to this final goal, actions also related to circular economy or an effective water management & monitoring, incl. waste and sewage, may be carried out. These actions may also support the adoption of EU environmental rules (e.g. incl. green transition, Western Balkans’ Green agenda, etc.), and digitalisation measures.

As the “do no significant harm” principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, , in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

The actions of this specific objective are expected to actively contribute to the EU climate targets, as well as to the biodiversity objectives, as specified in article 11 of the CPR (EU) 2021/1060.

EUSAIR\*: In Pillar 3, especially in relation to the protection of natural habitats, ecosystems and maritime protected areas, or implementing ICZM & MSP, which is also part of the EUSAIR flagships.

### ***S.O. 2.3 Promoting energy efficiency with joint crossborder actions***

The focus of the actions shall be on:

Within Specific Objective 2.3. (Energy), the actions shall contribute to promoting energy efficiency. This includes awareness-raising on CO2 emissions such as through solutions to decarbonize maritime mobility (e.g. fishing fleets) e.g. through innovative /sustainable electricity supply for vessels, energy efficiency measures targeting specific sectors (e.g. culture/tourism, construction, public facilities, etc.), but also

efficiency & security of cross-border energy networks & pipelines, digital tools / processes for energy efficiency, integrated energy efficiency plans within RES strategies / actions, as well as the adoption of EU rules on energy. Typically, cooperation projects are required to implement soft measures, e.g. shared models, innovative applications/ instruments, common approaches, plans and strategies, energy communities etc., aimed at enhancing energy efficiency, as well as the use of diversified renewable resources.

Practice like climate-proofing and 'energy efficiency first principle' will be encouraged already at the stage of project selection.

As the "do no significant harm" principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, , in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

The actions of this specific objective are expected to actively contribute to the EU climate targets.

EUSAIR\*: in Pillar 2, especially in relation to a more efficient and green energy network

***3.1. Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility, through joint cross-border actions***

The focus of the actions shall be on:

Within Specific Objective 3.1 (Intermodality), the actions shall aim at developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility, through soft measures. This includes maritime, air, rail and road transports, also targeted to tourism, such as with improved public transport links to cultural / natural heritage sites, through soft measures. Joint actions for soft mobility, multimodal transport links, ports security & green ports (such as while testing new technology, digital tools, ICT solutions in ports e.g. to enhance interoperability among ports, to support the supply chain, or to enhance connectivity to islands, incl. green solutions for short sea shipping, etc.), or security procedures at border-crossing & customs, aimed at efficient connectivity are also included. These actions may also support adopting EU rules on transports, and include digitalisation management / monitoring of transport. It also includes actions focusing accessibility of peripheral, hinterland, remote areas and urban-coastal areas and top-down initiatives e.g. projects of strategic importance.

For a sustainable local and urban mobility, actions are encouraged aiming at preparing / updating Sustainable Urban Mobility Plans of the cities of the area, based on evidence of data on urban mobility indicators (incl. baseline and targets).

As the "do no significant harm" principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, , in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

EUSAIR\*: in Pillar 2, especially contributing to the multi-modal corridors in the programme area, which are included in a flagship project too.

#### ***S.O. 4.1 Improving access to inclusive and quality services in education, training and life long learning through cross-border actions***

The focus of the actions shall be on:

Within Specific Objective 4.1. (Skills), actions shall aim at improving access to and the quality of training and lifelong learning across borders with a view to increasing the skills levels thereof as to be recognised across borders. This includes professional / vocational trainings or capacity building in touristic, cultural and creative sectors, improvement of professional & entrepreneurial & digital skills, green and sustainability skills, required for the green economy, improving efficiency of the cross-border labour markets aimed at greater social inclusion of vulnerable social groups (incl. unemployed, vulnerable groups, NEETs, etc.), capacity building for increased effectiveness of border-crossing & customs, actions on recognition of professional qualification, & supporting the adoption of EU rules on welfare, labour, qualification, such as e.g. through a network of Blue Career Centres. Targeted training opportunities and equal access to streamlined education/training should address in particular vulnerable social groups. Beneficiaries are required to make sure that training specifically targeted to vulnerable groups does not have the side effect of marginalising those groups, who should also benefit from equal access to streamlined education/training.

Complementarities with the ESF Regional and corresponding IPA national programmes should be addressed by beneficiaries, while not overlapping with precisely the same training activities, but complementing them, with training activities with a cross-border cooperation focus.

As the “do no significant harm” principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

Particularly in this S.O. projects are expected to contribute to the application of the Charter of Fundamental Rights of the European Union, to gender, age, nationality, ethnicity, health conditions (including disability), equality and non-discrimination, religion or belief and sexual orientation.

EUSAIR\*: in Pillar 1 on skills and capacities in the blue economy, and in Pillar 4 for increased skills through vocational training in the touristic sector, which are also flagship projects.

#### ***S.O. 4.2 Enhancing the role of culture and tourism in economic development, social inclusion and social innovation, through cross-border actions***

The focus of the actions shall be on:

Within Specific Objective 4.2 (Tourism and social inclusion), the actions shall aim at enhancing the role of culture and tourism in economic development, social inclusion and social innovation. Actions aiming at making tourism and culture more social and more economically resilient shall primarily target vulnerable social groups and local communities. The management of cultural and natural assets shall become more sustainable, in compliance with the green transition principles, more diversified, and strategically valorised, e.g. through mapping/ promoting/ diversifying cultural & thematic routes or adopting EU standards for sustainable tourism. The actions may focus on enhancing digitalisation, especially taking stock of the upcoming data spaces on cultural heritage and tourism, skills, especially digital skills of cultural, creative and touristic operators, capacity building, services & new opportunities for vulnerable groups in these sectors, in complementarity with other interventions such as the ESF, and supporting the adoption of EU rules. Non-discrimination and equal rights are certainly key principles in this S.O.

Actions proposed by beneficiaries should be focused also on developing more sustainable, inclusive, diversified, strategically valorised management of cultural and natural assets, while valorising lesser-known destinations with high tourism potential, and supporting the provision of touristic services all year-round, in order to decrease seasonality and increase the resilience of the tourism sector. By doing this, the impacts of the recent crises on the touristic sector may be mitigated.

Sustainability of investments in cultural sites is going to be a key requirement, to be monitored in all phases of programme implementation, therefore beneficiaries are expected to explain/provide evidence on how the investment is going to be self-sustained after the project end, also for instance developing models of institutional partnership i.e. public-private.

See 4.1. on the complementarities with the ESF.

As the “do no significant harm” principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, , in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

In case of potential impacts upon cultural heritage, beneficiaries are required to apply the European Quality Principles for EU-funded Interventions with potential impact upon Cultural Heritage (EYCH 2018).

EUSAIR\*: Pillar 4 actions focuses on increased capacities in the touristic sector, especially with the flagship projects dedicated to skills and the thematic routes.

***S.O. 5.1 Enhance efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions, in particular, with a view to solving legal and other obstacles in border regions***

The analysis of the types of actions of 2014-2020 projects lead to a classification of main types of actions financed by the Programme, which is kept for the 2021-2027 period: 1) Public services; 2) Digital services; 3) Small investments; 4) Innovative experimental applications; 5) Agreements; 6) Joint models / processes; 7) Capacity building / trainings (excluding measures listed in annex I and II of the directive no. 2011/92/EU). An indicative definition is provided in annex. The focus of the actions shall be on:

Within Specific Objective 5.1. (Efficient administration), the actions shall aim at enhancing efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions, in particular, with a view to solving legal and other obstacles in border regions. This includes institutional capacity to manage and promote cultural, natural heritage, creative industries, but also increasing mutual trust, improved institutional management of border-crossing points, the adoption of EU administrative rules, or enhancing e-government & statistic data collection/accessibility, and identification & mitigation of administrative / legal obstacles. Capitalisation & mainstreaming interventions (linking to National, Regional, transnational Programmes & macro-regions) is included. This also includes actions to improve the legal and financial framework for cross-border cooperation, such as the capacity to co-finance, pre-finance cooperation activities within Interreg and other kinds of programmes, as well as to make financial flows more efficient, e.g. setting up specific national schemes, etc., as well as actions aimed at deepening cooperation, exchanges and at enabling cross-border administration, such as e.g. through structured cross-border joint administrative procedures or stable cooperation structures, etc.

In particular, within this S.O., beneficiaries are going to be encouraged to work on complementarities and synergies with the Digital Europe Programme and Connecting Europe Facility 2 Digital, for what concerns data, in particular with the forthcoming deployment of European Data Spaces, as planned in the EU Data

Strategy communication, and in the view of making data available to both the private and public sector, based upon voluntary agreements or legal obligations, in secure ways. A particular attention, may be paid to the Tourism Data Space. Datasets resulting from the action should be made available as open data under the conditions defined in the Open Data Directive (Directive (EU)2019/1024 of 20/6/2019) as “high value datasets”.

As the “do no significant harm” principle (DNSH) pervades the implementation of the whole programme in all actions of all S.O.s, , in compliance with Regulation (EU) No 2020/852, this is a leading principle for the beneficiaries, which will be monitored throughout all phases of programme implementation.

EUSAIR\*: The EUSAIR includes the issue of an increased capacity of public administration as a horizontal issue in all pillars.

*2.1.1.2 Indicators. Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9).*

**Table 2 - Output indicators**

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
PA 1	RSO1.3	RCO116	Jointly developed solutions	solutions	1	20
PA 1	RSO1.3	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	20
PA 2	RSO2.1	RCO116	Jointly developed solutions	solutions	0	6
PA 2	RSO2.1	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	11
PA 2	RSO2.4	RCO116	Jointly developed solutions	solutions	1	11
PA 2	RSO2.4	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	11
PA 2	RSO2.7	RCO116	Jointly developed solutions	solutions	1	11
PA 2	RSO2.7	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	11
PA 3	RSO3.2	RCO116	Jointly developed solutions	solutions	1	15
PA 3	RSO3.2	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	15
PA 4	RSO4.2	RCO85	Participations in joint training schemes	participations	4	70
PA 4	RSO4.2	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	9
PA 4	RSO4.6	RCO116	Jointly developed solutions	solutions	1	9
PA 4	RSO4.6	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	9
PA 5	ISO6.1	RCO87	Organisations cooperating across borders	organisations	1	18
PA 5	ISO6.1	RCO83	Strategies and action plans jointly developed	strategy/action plan	1	9

**Table 3 - Result indicators**

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
PA 1	RSO1.3	RCR104	Solutions taken up or up-scaled by organisations	solutions	40.00	2021	72.00	electronic monitoring system	see annex on indicators
PA 1	RSO1.3	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	12.00	2021	24.00	electronic monitoring system	see annex on indicators
PA 2	RSO2.1	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	4.00	2021	7.00	electronic monitoring system	see annex on indicators
PA 2	RSO2.1	RCR104	Solutions taken up or up-scaled by organisations	solutions	12.00	2021	15.00	electronic monitoring system	see annex on indicators
PA 2	RSO2.4	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	7.00	2021	13.00	electronic monitoring system	see annex on indicators
PA 2	RSO2.4	RCR104	Solutions taken up or up-scaled by organisations	solutions	22.00	2021	29.00	electronic monitoring system	see annex on indicators
PA 2	RSO2.7	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	7.00	2021	13.00	electronic monitoring system	see annex on indicators
PA 2	RSO2.7	RCR104	Solutions taken up or up-scaled by organisations	solutions	22.00	2021	29.00	electronic monitoring system	see annex on indicators
PA 3	RSO3.2	RCR104	Solutions taken up or up-scaled by organisations	solutions	31.00	2021	40.00	electronic monitoring system	see annex on indicators

PA 3	RSO3.2	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	9.00	2021	18.00	electronic monitoring system	see annex on indicators
PA 4	RSO4.2	RCR81	Completion of joint training schemes	participants	42.00	2021	84.00	electronic monitoring system	see annex on indicators
PA 4	RSO4.2	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	5.00	2021	11.00	electronic monitoring system	see annex on indicators
PA 4	RSO4.6	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	6.00	2021	11.00	electronic monitoring system	see annex on indicators
PA 4	RSO4.6	RCR104	Solutions taken up or up-scaled by organisations	solutions	18.00	2021	24.00	electronic monitoring system	see annex on indicators
PA 5	ISO6.1	RCR84	Organisations cooperating across borders after project completion	organisations	11.00	2021	21.00	electronic monitoring system	see annex on indicators
PA 5	ISO6.1	RCR79	Joint strategies and action plans taken up by organisations	joint strategy/action plan	5.00	2021	11.00	electronic monitoring system	see annex on indicators

### 2.1.1.3 Main target groups. Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Building up and capitalising on the lessons learnt in the 2014-20 period, the 2021-27 programme keeps a similar approach to the main type of beneficiaries and target groups. Main target groups differ according to the type of actions implemented:

For the typical actions such as 1) Public services, 2) Digital services, 3) Small investments and 7) Capacity building: Mainly SMEs (incl. MSMEs), public and private organisations, local, regional and national authorities and agencies, social partners, NGOs and small organisations, universities and research centres

are targeted, therefore they may use and benefit from new public services/ investments/ capacity building measures, but also the citizens of the cross-border area may use and benefit from these actions.

For actions such as 4) Innovative experimental pilot applications; 5) Agreements among public authorities; 6) Joint models and processes: Typically SMEs, public and private organisations, local, regional and national authorities and agencies, social partners, NGOs and small organisations, universities and research centres are targeted, therefore they may use and benefit from these actions, but also the citizens of the population of the cross-border area indirectly benefit from improved systemic efficiencies.

Beneficiaries are going to be required to specify if specific economic sectors or social groups are targeted with their project actions according to the project specific objectives e.g. touristic MSME, research centre dealing with blue technologies, or vulnerable social groups with special needs, such as unemployed, young and senior citizens, persons with disabilities, vulnerable groups, hospitalised persons, etc. Even though the number of units of the target groups may be precisely estimated both in the planning and reporting phase, external factors may largely influence it, as vividly demonstrated by the 2020 pandemics, therefore beneficiaries will be required to precisely estimate it, but not to provide evidence for each single unit reached.

Similarly, beneficiaries are going to be required to explain if for a specific topic an Italian beneficiary located outside Puglia / Molise must be involved, as functionally necessary for achieving the project objectives.

The approach to State Aid adopted by the 2014-20 programme proved to be effective to limit the administrative burdens and irregularities connected to the State Aid management. Therefore, a focus on the public sector, i.e. services to citizens and to all companies, i.e. non-selective economic advantage, provided by public bodies or bodies governed by public law through so called SGEIs e.g., is more effective for this cooperation programme, than state aid provided to only some specific economic operator. If any direct or indirect aid is provided within the project actions to SMEs e.g., this is going to be de-minimis aid.

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 (i.e. environmental check), on the basis of measures adopted by the applicants, which potentially reduce negative environmental impacts, and to exclude measures listed in annex I and II of the directive no. 2011/92/EU or requiring environmental assessment.

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 apply to mitigate potential issues, which are going to be assessed according to the approved assessment procedure.

### ***PA 1 - A smarter South Adriatic programme area, by promoting innovative and smart economic transformation***

In relation to S.O. 1.1: the main target groups of the actions aiming at the growth of SMEs of the cross-border area (including micro SMEs) are SMEs organisations involved or specifically targeted, such as for sectors like tourism, culture, blue economy, agri-food, health and long term care, etc., which benefit from improved framework conditions for growth and competitiveness, but indirectly also the public and private

organisations involved and the citizens of the cross-border area may benefit from the SMEs growth, with more job opportunities, economic growth and social cohesion.

***PA 2 - A greener South Adriatic programme area, by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk management***

In relation to S.O. 2.1, 2.2, and 2.3: the main target group of the project actions aiming at improved risk management and mitigation, biodiversity and energy efficiency are public and private organisations, including research centres and universities, who deal with these topics and benefit from efficient procedures and new tools/applications, but also the citizens or specific targeted group thereof may benefit from the environmental measures adopted in the cross-border area.

***PA 3 - A more connected South Adriatic programme area by enhancing mobility and regional connectivity***

In relation to S.O. 3.1: the main target group of the actions aiming at an improved accessibility and connectivity of the cross-border area are private and public organisations of the cross-border area, who benefit from more efficient transports thanks to services, investments or measures carried out, but also the citizens may benefit from the opportunities of a more connected cross-border area.

***PA 4 - A more social South Adriatic programme area***

In relation to S.O. 4.1, 4.2: the main target groups of the project actions aiming at improved skills, the role of tourism and culture in social inclusion and innovation of the cross-border area are mainly the citizens of the cross-border area, who benefit from more opportunities through professional qualification, in particular vulnerable or marginalised groups, but also private and public organisations, incl. schools or VET providers, in general may benefit from efficient procedures and new tools, especially in the touristic and cultural sectors. Specific vulnerable groups are targeted, such as unemployed, young and senior, disabled and hospitalised persons, NEET, unemployed over 40, women and population in isolated areas, etc.

***PA 5 - A better governance in the South Adriatic programme area***

In relation to S.O. 5.1: the main target groups of the project actions aiming at a more efficient administration of the cross-border area are mainly the national/local public authorities who may benefit from efficient procedures and new tools but also the citizens may benefit from more efficient, harmonised and simplified procedures.

***2.1.1.4 Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools. Reference: Article point (e)(iv) of 17(3)***

In compliance with the approach of the European Territorial Cooperation, the main impacts are expected in the territories of the eligible area of the three cooperating countries. 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. Accordingly, even though project actions are expected to take place mainly in the programme area, operations may also take place outside the programme area, if they are for the benefit of the programme area and if they are approved by Programme authorities, in compliance with art. 37 (1) and art. 22 of the Regulation (EU) 2021/1059 (ETC Regulation). Consequently, the Managing Authority shall be in the position to fulfil its management and control functions towards beneficiaries located outside the programme area, which is possible inside the territory

of Italy, i.e. in all regions other than Puglia and Molise. This may apply e.g. to Italian ministries and their agencies located e.g. in Rome, who may be functionally essential to reach the programme objectives. For beneficiaries located in countries other than Italy, Albania and Montenegro instead, prior to any approval, specific legal arrangements need to be made in relation to the country’s subsidiary liability, its control and audit arrangements, as well as its national co-financing.

No use of specific territorial tools is planned, mainly because these are not yet in use in pre-accession countries participating in the programme and therefore, they are insufficiently known in this context. The approach of the programme is nonetheless very territorial: It is based on specific needs of the territories included in the maritime cross-border area, as well as it explicitly targets territorial stakeholders at NUTS III local level. The maritime and territorial dimensions are going to be duly considered in project selection. 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 LEADER-type initiatives implemented in Albania, as well as the Network for Rural Development in Montenegro (ALTER), as well as, the Adriatic Ionian Euroregion.

*2.1.1.5 Planned use of financial instruments. Reference: point (e)(v) of Article 17(3)*

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 and the national authorities 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.

*2.1.1.6 Indicative breakdown of the EU programme resources by type of intervention. Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)*

**Table 4 - Dimension 1 – intervention field**

Priority	Specific objective	Fund	Code	Amount (EUR)
PA 1	RSO1.3	IPA III	027. Innovation processes in SMEs (process, organisational, marketing, co-creation, user and demand driven innovation)	13,361,773.00
PA 2	RSO2.1	IPA III	044. Energy efficiency renovation or energy efficiency measures regarding public infrastructure, demonstration projects and supporting measures	3,946,286.00

PA 2	RSO2.4	IPA III	061. Risk prevention and management of non-climate related natural risks (for example earthquakes) and risks linked to human activities (for example technological accidents), including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches	7,366,803.00
PA 2	RSO2.7	IPA III	079. Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	7,366,803.00
PA 3	RSO3.2	IPA III	108. Multimodal transport (TEN-T)	10,213,205.00
PA 4	RSO4.2	IPA III	151. Support for adult education (excluding infrastructure)	5,998,026.00
PA 4	RSO4.6	IPA III	166. Protection, development and promotion of cultural heritage and cultural services	6,136,954.00
PA 5	ISO6.1	IPA III	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	6,043,317.00

**Table 5 - Dimension 2 – form of financing**

Priority	Specific objective	Fund	Code	Amount (EUR)
PA 1	RSO1.3	IPA III	01. Grant	13,361,773.00
PA 2	RSO2.1	IPA III	01. Grant	3,946,286.00
PA 2	RSO2.4	IPA III	01. Grant	7,366,803.00
PA 2	RSO2.7	IPA III	01. Grant	7,366,803.00
PA 3	RSO3.2	IPA III	01. Grant	10,213,205.00
PA 4	RSO4.2	IPA III	01. Grant	5,998,026.00
PA 4	RSO4.6	IPA III	01. Grant	6,136,954.00
PA 5	ISO6.1	IPA III	01. Grant	6,043,317.00

**Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus**

Priority	Specific objective	Fund	Code	Amount (EUR)
PA 1	RSO1.3	IPA III	33. Other approaches - No territorial targeting	13,361,773.00
PA 2	RSO2.1	IPA III	33. Other approaches - No territorial targeting	3,946,286.00
PA 2	RSO2.4	IPA III	33. Other approaches - No territorial targeting	7,366,803.00
PA 2	RSO2.7	IPA III	33. Other approaches - No territorial targeting	7,366,803.00
PA 3	RSO3.2	IPA III	33. Other approaches - No territorial targeting	10,213,205.00
PA 4	RSO4.2	IPA III	33. Other approaches - No territorial targeting	5,998,026.00
PA 4	RSO4.6	IPA III	33. Other approaches - No territorial targeting	6,136,954.00
PA 5	ISO6.1	IPA III	33. Other approaches - No territorial targeting	6,043,317.00

### 3 Financing plan. Reference: point (f) of Article 17(3)

#### 3.1 Financial appropriations by year. Table 7. Reference: point (g)(i) of Article 17(3), points (a) to (d) of Article 17(4)

Fund	2021	2022	2023	2024	2025	2026	2027	Total
IPA III CBC	0.00	11,346,347.00	11,592,045.00	11,762,404.00	11,975,731.00	10,074,143.00	10,275,814.00	67,026,484.00
<b>Total</b>	0.00	11,346,347.00	11,592,045.00	11,762,404.00	11,975,731.00	10,074,143.00	10,275,814.00	67,026,484.00

#### 3.2 Total financial appropriations by fund and national co-financing. Reference: point (f)(ii) of Article 17(3), points (a) to (d) of Article 17(4). Table 8

Policy objective	Priority	Fund	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
1	PA 1	IPA III CBC	Total	14,819,555.00	13,361,773.00	1,457,782.00	3,146,758.00	3,009,539.00	137,219.00	17,966,313.00	82.4852322232 %	0.00
2	PA 2	IPA III CBC	Total	20,717,886.00	18,679,892.00	2,037,994.00	4,399,199.00	4,207,366.00	191,833.00	25,117,085.00	82.4852326614 %	0.00
3	PA 3	IPA III CBC	Total	11,327,476.00	10,213,205.00	1,114,271.00	2,405,257.00	2,300,372.00	104,885.00	13,732,733.00	82.4852270848 %	0.00
4	PA 4	IPA III CBC	Total	13,458,918.00	12,134,980.00	1,323,938.00	2,857,843.00	2,733,223.00	124,620.00	16,316,761.00	82.4852309843 %	0.00
6	PA 5	IPA III CBC	Total	6,702,649.00	6,043,317.00	659,332.00	1,423,229.00	1,361,167.00	62,062.00	8,125,878.00	82.4852280578 %	0.00
	Total	IPA III CBC		67,026,484.00	60,433,167.00	6,593,317.00	14,232,286.00	13,611,667.00	620,619.00	81,258,770.00	82.4852308249 %	0.00
	Grand total			67,026,484.00	60,433,167.00	6,593,317.00	14,232,286.00	13,611,667.00	620,619.00	81,258,770.00	82.4852308249 %	0.00

### 4 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. Reference: point (g) of Article 17(3)

In compliance with Art. 16 (3) the ETC Reg. and Art. 8 of the CPR Reg., the Task Force of the Interreg IPA South Adriatic agreed to involve partners during programming in the most effective way. Because of the COVID-19 restrictions, only online consultations were possible:

#### a) Public consultations online:

a.1) A first consultation was organised between Jan. & Mar. 2020 (88 participants).

a.2) Another consultation online was open from 18/01/2021 to 15/02/2021, in order to confirm the selected priorities (112 pax).

a.3) A consultation of all 2014-20 beneficiaries was held through the evaluation exercise of 2014-20 programme, where all beneficiaries & a selected number of final target groups/users were interviewed on the 2021-27 priorities (475 interviewed pax).

b) 8 Focused partnership meetings for competent regional / national authorities and local authorities, (101 pax): these meetings involved few experts/ public officers, were organised in the second and third quarter 2020 under the responsibility of the Regional / National Authorities concerned and with the support of JS. For Albania and Montenegro line ministries responsible for the topics were involved.

c) Complementarities and synergies meetings with key stakeholders of the EUSAIR, ADRION, regional programmes etc.:

c.1) ADRION participation in Task Force meeting 16/9/2020.

c.2) Round Table between EUSAIR representatives and the Italian Managing Authorities of Adriatic Ionian ETC Programmes 16/10/2020.

c.3) Interact networks of programmes and Italian Adriatic-Ionian Working Group.

d) An extended partnership meeting for urban/local public authorities, socio-economic partners, NGOs was held, once the outline of the programme and its priorities were defined, on 18 January 2021, in order to involve the stakeholders in the most effective way (136 pax).

Relevant bodies representing civil society, NGOs, and responsible for promoting social inclusion, fundamental rights, incl. of persons with disabilities, and gender equality and non-discrimination, were invited to all public consultations & several of them participated in the extended partnership meeting. Programme authorities applied equal treatment & transparency principles, thus any input provided by representatives of these groups was included in the analysis.

The outcomes of the meetings and consultations are analysed in annex and are summarised here:

- In spite of the COVID-19 restrictions, which stopped all meetings in persons, with 101 participants in the focused meetings, 136 at the public consultation event, 88 and 112 pax in the online public consultations, 475 respondents to the evaluation questions, as well as thanks to the 10 meetings related to synergies and complementarities, the outcomes of the partnership involvement provide a robust strategic orientation.

- The most important priorities for the 2021-27 Programme are aligned with the strategic orientation of the 2021-Task force, thus widely building up on the 2014-20 priorities: Top priorities are Greener EU and Smarter EU, with a focus on the support to Tourism/Culture and digitalisation. A more connected and social EU are very relevant priorities for the involved partners as well.

- All in all, the partners widely support the specific objectives, actions and the target groups selected by the 2021-2027 Task Force.

For monitoring the programme implementation, including the required on-going programme evaluation, the Monitoring Committee is going to be composed of representatives of competent national and regional authorities as set out in article 29 (1) of the ETC Regulation. The Monitoring Committee shall also involve in the most effective way urban and local public authorities, economic and social partners and relevant bodies

representing the civil society, while at the same time applying the principles of equal treatment, proportionality and avoiding conflicts of interest. 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.

## 5 Approach to communication and visibility for the Interreg programme (objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation). Reference: point (h) of Article 17(3)

### 1. Objectives

Communication is not just a matter of visibility, communication is the thread that unites people and territories, which gives value to actions, and creates a culture of cooperation.

Communication is everywhere. Communication is everybody's business. This is why it will address both internal and external targets, and will be strongly linked to programme objectives, so as to create a cross-border South-Adriatic community. Overall objectives are:

- 1) To inform citizens about the role of the EU in promoting cooperation across the maritime border, cohesion, and sustainable development;
- 2) To raise awareness about the programme funding opportunities, and stimulate wide participation;
- 3) To give support to beneficiaries, communicate projects results, and their impact on territories;
- 4) To improve the programme reputation towards EU institutions and Partner States, and assist candidate countries to align with EU standards.

### 2. Target audiences and approach

All the communication actions will reach out to a large audience from the programme area:

- (Potential) beneficiaries (private/public organizations);
- Community (general public, economic/social partners, decision makers, influencers);
- Multipliers (media, Public Authorities, NIPs, EU institutions/networks, other Programmes);
- Governance (Partner States, DG Regio, MA, Programme staff).

Considering the challenges of cross-border communication, the strategy will be based on:

- tailor-made approach, dialogue with stakeholders;
- plain language, key-messages respectful of differences;
- transparency, interactivity, authenticity;
- creative, tangible online & off-line actions;
- innovative communication channels;
- cross-border integrated, synergic actions;
- widespread dissemination of results.

Messages will be targeted to specific audiences, and will relate to EU Cohesion & Interreg Policy: simplification and result orientation. The final goal is to spread visibility of the programme achievements across the border. English, as programme language, will be used, but targeted communication in National languages may be needed.

### 3. Channels and tools

Programme communication follows three lines of action:

#### 1) Institutional communication

- Harmonised Programme/Projects branding
- Information and communication materials
- Audio-visuals, podcasts, digital publications
- Web portal (Programme / projects websites)
- Online communication (Social media, EU platforms)
- Internal communication (training, team building)

#### 2) Public Relations

- Media relations (press releases, press conferences)
- PR activities (dialogue with stakeholders, students, citizens)
- Events (meetings, info-days, workshops, exhibitions)
- Networks (Regional/National/EU & Joint Interreg events)

#### 3) Promotion

- Integrated communication campaigns (online/offline)
- Promotional materials (eco-friendly items)

As for social media, the following channels will be used: Facebook, Instagram, Twitter, YouTube, LinkedIn. Depending on new IT developments the social media mix may evolve over the Programme life cycle; priority will be given to the media which can bring Europe closer to citizens.

“Green communication” will be the leitmotif of all initiatives, which means selecting energy-efficient communications & networking technologies, and minimizing resource use whenever possible (paperless communication, e-publications, recycled materials, green events).

The Managing Authority will appoint a Communication Officer, who will be in charge of all communication & visibility actions, and will work closely with the National Communication Coordinator, under the supervision of the JMC.

#### 4. Budget, monitoring and evaluation

A budget of approx. 1,% i.e. 950 000 € (external 600 000 € + staff 350 000 € depending on 21-27 budget) is designated for communication purposes. The resources will be spread for the duration of the programme, with a peak in the initial, intermediate and final phases.

All communication & visibility actions will be evaluated on a regular basis, using external & internal evaluators. Data will come from monitoring system, surveys, focus groups, interviews, website analytics, social media metrics, press monitoring, desk analysis. A detailed set of quantitative & qualitative indicators will be defined, to evaluate all communication actions and improve their performance. Evaluation of the communication strategy will be part of the programme evaluation.

See also annex.

## 6 Indication of support to small-scale projects, including small projects within small project funds. Reference: point (i) of Article 17(3), Article 24

With the objective to simplify and decrease administrative burdens (see annex), the programme supports also Small-Scale Projects (SSPs). As highlighted in the lessons learnt above, the data on participation demonstrate that through the targeted call for SSPs the 2014-2020 Programme managed to attract new partners and to encourage the participation of smaller organisations, instead of central / regional public authorities, i.e. many new NGOs, the civil society, associations and small municipalities participated in the SSPs. These organisations do not have administrative, financial capacity and human resources to manage complex cooperation projects, therefore, an important key for success of the SSPs was that the entire project was managed through simplified costs. This extremely simplified reporting and controlling, decreased administrative burdens and costs and decreased the error risk. In spite of the excellent response and participation of the stakeholders, COVID-19 pandemics had an extremely big impact on the implementation of the SSPs, which could not deliver the planned outputs at all for more than a year, because of the travel restrictions and social distancing measures. Additionally, the short time necessary to start projects and the short durations enable a more efficient implementation and a timely achievement of outputs, therefore the programme could timely reach the 2024 targets of the performance framework.

Bearing this in mind, the 2021-2027 Programme builds on this experience, while:

- effectively communicating to potential new partners and small organisations the SSPs call-s;
- allocating sufficient programme funds to SSPs;
- keeping the same simplified approach, i.e. project reporting exclusively simplified costs;
- assessing the availability of statistical data to calculate additional lump sums, not focused on outputs related to meetings in person;
- first SSPs call should be launched already in 2022, in order to have first outputs in 2024, and therefore to make the achievement of 2024 targets of the programme performance framework possible.

Based on the 2014-2020 experience, these may be the key features of the SSPs call:

#### ALLOCATION TO THEMES:

S.O. 1.1 SMEs, 4.1 Skills, 4.2 Tourism and social inclusion and 5.1 Efficient administration, which especially require capacity building actions, are more suitable for SSPs than S.O. 3.1 Multimodality, 2.1 Risk management and 2.3 Energy, for which other soft measures may be needed. Therefore, the financial allocation may be proportionally bigger for the former than the latter.

#### PRE-FINANCING AND PAYMENTS:

A substantial Pre-financing may be provided to beneficiaries and the offset of may be kept at final payment, to assure sufficient cash flow. Financial guarantees may be required to mitigate the risk of recoveries. The SSPs payments may be based on the achievement of milestones, which corresponds to the delivery of a specific output, for which the lump sum was calculated. The output delivery may be considered completed after the follow-up of the concerned output is also concluded, including the provision of sufficient documentation related to the achievement of the output's expected objectives.

#### LUMP-SUMS:

The SSPs may exclusively take the form of reimbursement of eligible costs declared by beneficiaries on the basis of a lump sum. Several lump sums may be combined to cover different set of activities, and to contribute to the total amount of the project. Each lump sum may cover all costs related to all secondary activities necessary for the delivery of the specific output, on which the lump sum is calculated. Other than the documentation to prove the reality and existence of the specific output, no supporting documents may be required for the real costs during the reporting.

The lump-sums based on the fair, equitable and verifiable methodology used in 2014-2020 period are:

1. Preparation cost;
2. Workshop, seminars and conferences;
3. Incoming missions & B2B meetings.

Additionally, in 2021 as soon as 2014-2020 standard projects were closed, the JS analysed project data related to expenditures and types of activities, in order to develop an additional type of lump sum. This may be based on historic statistical data on typical 2014-2020 project activities, not related to meetings in person, such as joint tools, which could be e.g. joint methodology, technical management model, application, study and agreement, etc.

The key minimum characteristics of the outputs, based on the type of outputs analysed, are going to be clearly set for the beneficiaries, such as: Number of participants, no. of final users, no. of target groups reached, number and types of deliverables envisaged, etc.. At the same time, suitable methods may be used, to evaluate if the expected objectives have been achieved at a satisfactory level.

#### MANAGEMENT VERIFICATIONS:

The objective of management verifications in case of the SSPs is to verify that outputs was delivered occurred in reality, i.e. that it existed, including follow-up and suitable evaluation. The proof that the output was delivered is usually collected by the beneficiaries and submitted through the reporting procedure.

Instead of the National Controllers, the Managing Authority and National Authorities, supported by the JS and the National Info Points, may be performing and confirming the verification of reality and existence.

Management verifications may be both on-the-spot, to verify the existence of an output, at the appropriate moment when it is delivered, and on-desk, to verify that sufficient and consistent evidence of existence is provided.

#### AMOUNTS AND PROJECT SIZE:

Amounts are calculated on a fair, equitable and verifiable methodology, pre-discussed with the Audit Authority. For the existing lump sums, the methodology may be based on the data used in 2014-2020 period.

In order to take the different costs of living in the three countries into account, adjustments may be necessary through the application of a country correction coefficients.

All together, as set by art. 53 (2) of the CPR Regulation, the entire project budget could be limited to maximum 200.000 € and each project partner may have a budget limited to maximum 100.000 € (incl. EU and National co-financing). No minimum budget per partner may be required, but each partner should be in charge of at least one of the outputs, for which a lump sum is foreseen.

#### PROJECT PARTNERS:

In proportion to the total admissible amount, the total number of partners may be limited to three including the Lead Partner. Associated partners may be admissible, without financial support.

Limited participation may be granted to bigger bodies, such as universities, research centres / bodies, as well as national ministries or Italian regional authorities, in order to encourage small organisations to take advantage of this opportunity.

**PROJECT DURATION:**

The project implementation may be limited to 18 months, starting from the project start date, set during the contracting procedure, with possible extension when required..

## 7 Implementing provisions

### 7.1 Programme authorities. Reference: point (a) of Article 17(6). Table 9

Programme authorities	Name of the institution	Contact name	Position	E-mail
Managing authority	Regione Puglia	Crescenzo Antonio Marino	Autorità di Gestione del Programma Interreg IPA CBC Italia, Albania, Montenegro	ma@italy-albania-montenegro.eu
Audit authority	Regione Puglia	Mauro Calogiuri	Segreteria Generale della Presidenza - Servizio Controllo e Verifica Politiche Comunitarie	mauro.calogiuri@regione.puglia.it
National authority (for programmes with participating third or partner countries)	Government of Montenegro Prime Minister's Office European Integration Office	Zorka Kordić	Department for European Territorial Cooperation	zorka.kordic@gsv.gov.me
National authority (for programmes with participating third or partner countries)	Presidenza del Consiglio dei Ministri	Paolo Galletta	Dipartimento per le politiche di coesione/ Agenzia per la Coesione Territoriale	paolo.galletta@agenziacoesione.gov.it
National authority (for programmes with participating third or partner countries)	Prime Minister's Office	Ilir Beqaj	State Agency for Strategic Programming and Assistance Coordination (SASPAC)	info@saspac.gov.al
Group of auditors representatives	Audit Authority of Montenegro	Stana Gačević	Department for audit of the program of regional and territorial cooperation	stana.gacevic@revizorskotijelo.me

Group of auditors representatives	Audit Directorate for IPA Programmes	Alba Qirjazi	Audit Agency for the European Union- Accredited Assistance Programmes	Alba.Qirjazi@aapaa.gov.al
Body to which the payments are to be made by the Commission	MIN ECONOMIA FINANZE FONDO ROTAZIONE ATTUAZIONE POLITICHE COMUNITARIE	Paolo Zambuto	Ispettorato Generale per Rapporti Finanziari con l'Unione Europea	paolo.zambuto@mef.gov.it

## 7.2 Procedure for setting up the joint secretariat. Reference: point (b) of Article 17(6)

As the Managing Authority keeps the full responsibility for managing and controlling the Programme, in compliance with articles 72 of CPR and 46 of the ETC Regulations, in continuity with the 2014-2020 period, the Joint Secretariat (JS) is a unit directly reporting to the Director of the Department / Service of Region Puglia, legally appointed as Head of Managing Authority through the Regional decree-s.

The leading principles in the selection of the staff of the JS are:

- a) Publicity, transparency & equal treatment: The persons have been selected according to an open call, incl. qualification requirements, published EU-wide. According to the principles of public competition set by the Italian law, the selection is made through assessment of qualifications, professional / personal skills, technical test and interviews, resulting with a public ranking list. Equal treatment principle and no discrimination have been applied;
- b) Competence & continuity: Competences of the persons are valorised / built up through trainings and capacity-building. The remuneration is competitive / aligned with the standards of Interreg programmes. In compliance with the relevant labour legislation and administrative rules, the competences acquired and the JS staff are going be kept as far as possible, in order to assure continuity, avoid interruptions in programme management, as well as to ensure effectiveness and sound management;
- c) Balance & effectiveness: open call are published in participating countries & EU-wide, in order to assure that interested persons from participating countries may apply, (i.e. principles of publicity & open competition). The no. of positions is set according to the specific needs& aligned with the standards of the Interreg programmes. Together at the National Info Points and the JS, nationalities of the three countries are represented.

In order to improve the service to the participating countries, and taking the funds availability into account, in 2021-2027 two additional officers, focusing on the fields, where improvements are necessary, according to the evaluation & audit outcomes: a) Administrative simplification & outputs verification for Small Scale Projects; b) Financial advice & training for National Authorities, Controllers & beneficiaries. The composition of the Joint Secretariat is: 1 Coordinator, 1 Secretariat officer, 1 Communication officer, 3 Finance officers, 2 Project officers, 1 Legal officer. In order to assure a smooth transition from 2014-20 to 2021-27 period, the recruitment of 2 additional officers is planned in the second half of 2022. Until the first half of 2023, the new officers will support closure of 2014-20 programme, but mainly focus on the set-up of

2021-27 programme, while current officers will support the project assessment, but focus on closure activities. From the second half of 2023, the majority of the workload of JS staff will be on the 2021-27 programme, with only a few closure activities.

At the same time, in Albania and Montenegro the National Info Points -set up under the responsibility of the National Authorities-, as well as National Authorities and Controllers are going to increase their capacities. Managing Authority is going to strengthen capacities with additional TA support/ internal staff, for efficient payments, new accounting functions & for quality assurance..

### 7.3 Apportionment of liabilities among participating Member States and where applicable, the third or partner countries and OCTs, in the event of financial corrections imposed by the managing authority or the Commission. Reference: point (c) of Article 17(6)

As confirmed in the text of the art. 16 (5) agreement of the ETC Regulation, the National Authorities (NAs) representing the participating countries, which for Italy represent also the Italian regions of the Programme area,

- agree on the text of the Interreg Programme;
- commit to satisfy themselves that public and private beneficiaries of the respective country are in the position to co-finance operations, according to the respective national system;
- commit to assist public and private beneficiaries of the respective country, to be in the position to pre-finance expenditures, while waiting for reimbursement, notwithstanding the share of pre-financing provided to beneficiaries by the Programme, as well as they commit to pre-finance own Technical Assistance (TA) activities, notwithstanding the share of pre-financing provided by the Programme;
- commit to satisfy themselves that staff is in the position to fulfil its function and that staff competences are built up, and kept as far as possible, both at NAs and Info Points, National and Regional counterparts concerned, as well as for all Programme bodies;
- appoint (or commit to appoint before contracting operations) the offices responsible for implementation of the management verifications in the respective territory (called first level control in compliance with art. 46 (3) of the ETC Reg.), the offices in charge for its quality assurance and monitoring, in compliance with the responsibilities set in art. 69 of the CPR Reg., as well as, in case of de-centralised systems, the office in charge of releasing / withdrawing authorisations to controllers;
- commit to assist the MA and the Lead Partners in case of recovery of unduly paid amounts related to beneficiaries located in the respective territory, in compliance with article 52 of the ETC Regulation and to identify the office, which responds to the MA in the event of financial corrections not related to a single beneficiary of the respective territory, upon consulting the NA - and other concerned Authorities-, by means of an agreed procedure to be defined in the Programme rules, compliant with respective National procedures foreseen in the case of the recovery of the funds related to irregularities and with the relevant rules in the Financing Agreement, as applicable;
- commit to find appropriate solutions for any necessary financing in case of de-commitment affecting beneficiaries of the respective country or region, or for any over-commitment decided by the Monitoring Committee, e.g. as a measure to mitigate the risk of de-commitment;

Technical Assistance is paid on the basis of a flat rate of 10% of the IPA certified expenditures, in compliance with art. 27 (3) (b) of the ETC Reg. to the MA by the EU Commission:

- 80,6% of TA paid by the Commission is allocated to the MA, JS, and AA (on the basis of the management, control and audit tasks, responsibilities and workloads estimated to fulfil the functions), & 9,7% to Albanian & 9,7% to Montenegrin NAs (on the basis of the tasks, responsibilities and workload estimated to fulfil the functions of NAs / Info Points, centralised Control & Group of Auditors). These flat rates are paid by the MA to the NAs in deadlines fixed in TA subsidy contracts, which regulates also pre-financing amounts to be paid at signature, amounting to 1,94% of the programme IPA TA per country (20% of 9,7% of IPA TA);
- in case of irregularities occurred in the respective country, to pay back the TA amount, which was reimbursed on the basis of the flat rate applied to those irregular expenditures, and upon consulting the NA by means an agreed procedure to be defined in the Programme rules;
- the 2021-27 Management Control System description, programme manual & procedures are going to build on 2014-20 and include: description of separation of accounting function within MA; procedures for payments by EC to single account, art. 51 (1) ETC; quality assurance, incl. simplification & capacity building within TA; procedures for recoveries, art. 52 (3) / (5) ETC (liabilities of participating countries), in acc. Art. 69(8) & Annex XIV of CPR and Article 32(1) of ETC Reg, MA adhered to JeMS by Interact (part of core group) i.e. all data exchanges between beneficiaries & programme through electronic means.

## 8 Use of unit costs, lump sums, flat rates and financing not linked to costs. Reference: Articles 94 and 95 of Regulation (EU) 2021/1060 (CPR). Table 10: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95 CPR	Yes	No
From the adoption, the programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under the priority according to Article 94 CPR	<input type="checkbox"/>	<input checked="" type="checkbox"/>
From the adoption, the programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## 9 Appendix 3: List of planned operations of strategic importance with a timetable - Article 22(3) CPR

No. 1.1 CREATIVE South Adriatic: Improving framework conditions for cultural & creative & social & sustainable tourism SMEs, through digitalisation, & restoration of cultural heritage sites to re-use them as creative hubs/touristic attractions. Focus on youth & women & creative sector, incl. policy & business start-up tools.

No. 2.1 RESILIENT South Adriatic: Addressing climate change adaptation, risk prevention & disaster resilience, while protecting the marine environment & reducing pollution with joint cross-border actions, emergency management & system interoperability, civil protection coordination.

No. 3.1 MORE CONNECTED South Adriatic: Improving maritime & multimodal transport systems, with small investments (such as soft measures on ports, fishermen ports, border crossing points), decarbonising ports & city-port connections, improving sea, road, air, railway safety & maintenance schemes, along the connectivity Agenda & European Corridors, incl. green cross-border mobility.

No. 4.1 SMART & COMPETITIVE South Adriatic: Improving people skills, while contributing to growth & competitiveness, through trainings in blue economy, digitalisation or other fields, such as fisheries, aquaculture, coastal tourism, ship building etc., focus on innovative start-ups, SMEs, S3s.

No. 5.1 GOOD GOVERNED South Adriatic: more efficient public administration, through assistance for Pre-Accession, enhancement of operational competencies in EU Cohesion for public institutions, digital agenda & training in ICTs, e-government in the field of control / monitoring of the territories.

For a timely kick-off of these complex operations, a seed facility is going to be set up within the preparation art. 32 (1) IPA IR 2014-20 TA, ie this timeline:

- 1.1. Submission of the I.P. to EC: 1st qt. 2022
- 1.2. Notice to responsible authorities: 1st qt. 2022
- 1.3. Set up of the Seed Facility: 1st qt. 2022
- 1.4. Partnership building: 2nd qt. 2022
- 2.1 Analysis of the common needs & potentials: 2nd qt. 2022
- 2.2 First draft objectives + actions: 3rd qt. 2022
- 2.3 Agreement on draft projects: 4th qt. 2022
- 2.4 Partners eligibility check by JS: 1st qt. 2023
- 3.1 Developing detailed work plan and budgets: 1st qt. 2023
- 3.2 Submission of final projects: 1st qt. 2023
- 3.3 Decision by the MC & contracting: 1st qt. 2023
- 3.4 Project kick-off meetings: 1st qt. 2023

## 10 Documents

Document title	Description	Sent date	Sent by
2021_27_South_Adriatic_MAP	Map of the programme area	1/6/2022	MA
2021_27_South_Adriatic_1a_indic	Methodology for the programme indicators	1/6/2022	MA
2021_27_South_Adriatic_2a_strat	Methodology for the operations of strategic importance	1/6/2022	MA
2021_27_South_Adriatic_4_terr	Territorial analysis	1/6/2022	MA
2021_27_South_Adriatic_5_partn	Involvement of Programme partners	1/6/2022	MA
2021_27_South_Adriatic_6_comm	Communication strategy	1/6/2022	MA
2021_27_South_Adriatic_7_SEA	Screening for Strategic Environmental Assessment	1/6/2022	MA
2021_27_South_Adriatic_8_EC_com	Feedback to observations by the EU Commission 1	1/6/2022	MA
2021_27_South_Adriatic_9_EC_com	Feedback to observations by the EU Commission 2	1/6/2022	MA
2021_27_South_Adriatic_10_TA_CB	Use of technical assistance for capacity building	1/6/2022	MA

This programme is co-financed by the European Union under the instrument for Pre-Accession Assistance (IPA III) and the participating countries

This document was extracted from the SFC 2021 system of the EU Commission