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EUROPEAN COMMISSION

Brussels, 6 December 2010

C(2010)8799

COMMISSION DECISION

C(2010)8799

of 6 December 2010

modifying Decision C(2008)1069 by adopting the revised "Greece-Albania IPA cross-border programme" and fixing the European Union contribution granted to Albania for the years 2010–2011 under the IPA-Cross-border Co-operation component

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-accession Assistance (IPA)¹, and in particular Article 14(2)(a) thereof,

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre-accession assistance to candidate countries and potential candidates.
- (2) In accordance with Article 7 of Regulation (EC) No 1085/2006, the assistance should be provided through multi-annual or annual programmes, which can be established by country, by group of countries or by component. These programmes should be drawn up in accordance with the general policy framework referred to in Article 4 of Regulation (EC) No 1085/2006 and the relevant multi-annual indicative planning documents referred to in Article 6 of that Regulation.
- (3) The Council has established a European Partnership for Albania². On 31 July 2009 the Commission has adopted the Multi-annual Indicative Planning Document 2009–2011 for Albania which presents the main priorities for pre-accession assistance to this country³.
- (4) In accordance with Article 91 of Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)⁴ (hereinafter referred to as the IPA Implementing Regulation), the Commission adopted on 19 March 2008 the multi-annual cross-border programme Greece –Albania 2007-2009⁵.
- (5) The "Greece – Albania IPA cross-border programme" aims at providing assistance to increase the standard of living of the population by promoting sustainable local

¹ OJ L 210, 31.07.2006, p. 82.

² Council Decision 2008/210/EC of 18 .02.2008 (OJ L 80, 19.3.2008, p. 1-17).

³ C(2009)5911.

⁴ OJ L 170, 29.06.2007, p.1

⁵ Decision C(2008) 1069 of 19.03.2008 as amended on 2 December 2008 by Decision C(2008)7489.

development in the cross-border area. The first priority will focus on cross border economic development, the second priority will promote the development of the environment and natural and cultural resources, and the third priority will provide technical assistance to implement the programme.

- (6) As the participating countries are not yet ready to implement the present cross-border programme in shared management, this programme shall be implemented according to the transitional arrangements laid down in Article 99 of the IPA Implementing Regulation; this Decision will therefore only relate to the part of the cross-border programme concerning Albania, the part of the cross-border programme concerning Greece being subject of a separate decision⁶.
- (7) In accordance with Article 93(1) of the IPA Implementing Regulation, at the initiative of the Commission, in agreement with the participating countries, the cross-border programme shall be amended in order to update the financing plan so as to add the appropriations for the years 2010 and 2011, according to the revision of the Multi-annual Indicative Financial Framework for 2010–2012⁷. The amendment of the programme also encompasses some minor adjustments revising outdated references. The revised "Cross-border programme Greece - Albania" should therefore be adopted by the Commission in accordance with Article 93(2) of the IPA Implementing Regulation.
- (8) This Decision meets the requirements of Article 90 of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002⁸ and constitutes thus a financing decision within the meaning of Article 75(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁹.
- (9) The measures provided for by this Decision are in accordance with the opinion of the IPA Committee,

HAS DECIDED AS FOLLOWS:

Article 1

The "Greece - Albania IPA cross-border programme "adopted by Decision C(2008)1069 of 19 March 2008 is replaced by the programme set out in Annex 2 to this Decision.

The Financing proposal for the years 2010–2011 of the "Cross-Border programme Greece - Albania", as set out in Annex 1 to this Decision, is hereby adopted.

The part of this programme concerning Albania shall be implemented by centralised management in accordance with the provisions of Article 99 of the IPA Implementing Regulation.

⁶ Decision C(2010) 4769 of 30.06.2010

⁷ COM(2008)705 final of 5.11.2008.

⁸ OJ L 357, 31.12.2002, p. 1.

⁹ OJ L 248, 16.9.2002, p.1

The part of this programme concerning Albania corresponding to budget years 2010 and 2011 shall be implemented by means of annual Financing Agreements to be concluded between the Commission and the Government of Albania, in conformity with the Framework Agreements concluded between the same parties on 18 October 2007.

Article 2

In the budget year 2010, the maximum amount of European Union contribution granted from IPA shall be EUR 1,659,507 to Albania for the participation in the "Greece – Albania IPA cross-border programme" to be financed through Item 22.020402 of the general budget of the European Union.

In the budget year 2011, the maximum amount of European Union contribution granted from IPA to the country for the participation in the "Greece – Albania IPA cross-border programme" shall be EUR 1,692,697 to be financed through Item 22.020402 of the general budget of the European Union, subject to the approval of the Budget 2011 by the budgetary authority.

Done at Brussels,

*For the Commission,
Štefan Füle
Member of the Commission*

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ANNEX
FINANCING PROPOSAL FOR THE YEARS 2010 AND 2011 FOR THE
PARTICIPATION OF ALBANIA IN THE "GREECE – ALBANIA IPA CROSS-
BORDER PROGRAMME"

1. IDENTIFICATION

Beneficiary:	Albania
CRIS numbers:	2010/022-603; 2011/022-604
Years:	2010 and 2011
Cost:	2010: EUR 1 659 507 (total value of IPA contribution) 2011: EUR 1 692 697 (total value of IPA contribution)
Operating structure:	Ministry of European Integration
Implementing Authority:	European Commission
Final date for concluding the Financing Agreement:	For the 2010 funds: at the latest by 31 December 2011 For the 2011 funds: at the latest by 31 December 2012
Final date for contracting:	2 years following the date of conclusion of the Financing Agreement. No deadline for audit and evaluation projects covered by this Financing Agreement, as referred to in Article 166(2) of the Financial Regulation. These dates apply also to the national co-financing.
Final date for execution:	2 years following the end date for contracting. These dates apply also to the national co-financing.
Sector Code	11120, 16061, 32130, 33210, 41010, 43040, 91010
Budget lines concerned	22.020402 (=CBC with MS)
Programming Task Manager	For Albania: DG Enlargement, Unit C4
Implementation Task Manager	For Albania: EU Delegation to Albania, Operation Section

2. SUMMARY

2.1. Introduction

2.1.1. *Link with MIPD*

The cross-border programme between Albania and Greece will contribute to the implementation of IPA Component II "Cross-border cooperation" of the Multi-annual Indicative Planning Document (MIPD) 2009-2011 for Albania. This programme will provide assistance for "Democratic stabilisation and administrative capacity building", "Economic and social development", "Infrastructure" and "Technical assistance", identified as major areas of intervention in the MIPD for Albania.

2.1.2. *Programming process*

The programming process took place between May and November 2007. A bilateral "Task Force" was established comprising representatives from the national authorities and the European Commission.

The first meeting of the Task Force was held in Thessaloniki on 22 September 2007 followed by 4 other meetings in Greece and Albania. A meeting defining the basic orientations of the programme was organised in Kastoria, Greece. Two other meetings were held in Thessaloniki, the first one to agree on the structure and the second to approve a first draft of the programme. A fourth meeting was held in Korçë to finalise the content of the programme and its implementing provisions.

Three external expert teams supported the Task Force on specific chapters of the operational programme, the ex-ante evaluation and the strategic environmental assessment. Before the meetings of the Task Force, a public consultation process was launched in May 2007 in order to ensure broad acceptance by the regions, sectors, social partners and other stakeholders.

The current revision of the cross-border programme was justified by the update of the financing plan, according to the revision of the multi-annual indicative financial framework (MIFF) for 2010 to 2012¹⁰.

2.1.3. *List of eligible areas*

The eligible area of the Programme spreads from the Ionian Sea to the Prespa lakes. The land border has a total length of 282km covering an area of 21,588 km² with a population of around 1 million inhabitants. It is composed of eight NUTS III units or NUTS III equivalent units in both countries. The eligible NUTS III regions from the West to the East are the prefectures of Vlorë, Gjirokastër and Korçë in Albania and the prefectures of Kerkira, Thesprotia, Ioannina, Kastoria and Florina in Greece. The NUTS III region "Grevena" in Greece is included in the programme area as an adjacent area (Art. 97 of the IPA Implementing Regulation) with a total expenditure not exceeding 20% of the programme expenditures.

¹⁰ COM(2008)705final of 5 November 2008.

2.2. Global objective(s) of the programme

The global objective of this programme is to increase the standard of living of the population by promoting sustainable local development in the cross-border area. The programme will address sustainability in its economic, social and environmental components.

2.3. Priority axes, the related measures and their specific aspects concerning the implementation of the 2010-2011 budget

The structure of the programme consists of **two Priorities Axes** with **six Measures**. Priorities 1 and 2 are oriented towards Lisbon as well as Gothenburg principles and take into consideration the cross-cutting issues of equal opportunities, genuine cross-border cooperation and sustainability. Additionally a **Priority Axis 3** “Technical Assistance” is foreseen.

2.3.1. Priority axis 1: Enhancement of cross border economic development

Priority axis 1 aims at promoting sustainable economic development through common interventions and at facilitating cross-border relations. Priority axis 1 will be implemented within four Measures promoting entrepreneurship (M 1.1), the promotion of sustainable tourism (M 1.2), people to people actions (M 1.3) and facilitating border accessibility through small scale infrastructure (M 1.4).

Measure 1.1: Promotion of entrepreneurship

The specific objective of this measure is to facilitate the development of cross-border economic activities through the use of the existing potential and emerging opportunities.

This measure will support the development of joint actions for cooperation, exchange of information and coordination of activities and services among professional associations and chambers. Further support will be given to research activities and studies to facilitate cross border trade and investment, the development of cross border databases and business partner search facilities, the development of public services to facilitate cross border trade and investment, and the development of trans-boundary associations. It will also promote the transfer of know how in relevant business areas and promote common events and fairs.

Measure 1.2: Promotion of sustainable tourism

The specific objective of this measure is to support common cross border activities in tourism based on the existing natural and cultural heritage.

This measure will support the development and promotion of: joint tourism territorial planning; a regional brand-name and joint marketing initiatives, standards for services, common billing systems, common trainings; thematic tourism clusters and routes; eco-tourism networks; outdoor activities; combination of local craftsmanship and tourism.

Measure 1.3: People to people actions

The specific objective of this measure is to support common cross-border activities of a smaller scale focusing directly on the interaction of the local population.

This measure will support the following activities: cooperation between universities and education institutes to develop common courses; enhancement of student's mobility; development of vocational training and qualification; know-how transfer relating to health and social welfare matters; development of innovative and customised life long learning concepts; development of partnerships and networks for exchanges on culture, training, sport, local media, public participation, citizens' action; development of mobile cross border primary health care; improvement of the quality of health services; prevention and control of infectious diseases; development of links between local and central health services and search for joint responses to health emergencies; use of new technologies and information and communication technologies in cross-border cooperation.

Measure 1.4: Facilitate border accessibility through small scale infrastructure

The specific objective is to support small scale interventions which contribute to fast and efficient border crossing procedures.

This measure will support the following activities: small scale upgrades at the border stations, improvement of safety procedures linked to mobility of persons, capital and goods; support information and communication technology interventions to facilitate and accelerate border checks; to develop coordinated customs procedures; to support studies in order to facilitate and accelerate border checks; to explore the potential for public transport.

2.3.2. *Priority axis 2: Promotion and sustainable development of the environment and of natural and cultural resources*

Priority axis 2 will be implemented within two Measures aiming at promoting common actions for the protection of the environment (M 2.1) and at mobilising the natural and cultural heritage (M 2.2).

Measure 2.1: Promote and protect the environmental resources of the area

The specific objective of this measure is to support interventions that protect the environment and mitigate environmental impacts related to economic development.

This measure will support the following activities: implementation of trans-boundary environmental impact assessments; training and awareness programmes and regional certificates especially on eco-tourism, organic farming and renewable energy; development of networks and plans for the management and preservation of the water resources; development of links in the cross-border environmental planning; assessment of threatened elements of the environment; cross border strategies for waste and wastewater management especially in connection to rivers; enhance cooperation in the fields of protected areas; enhance coordination and joint training of natural hazards early warning and response mechanisms; development of innovative approaches in land use and urban development.

Measure 2.2: Promote and protect the natural and cultural heritage of the area

The specific objective of this measure is to promote and protect the natural and cultural heritage of the border region.

This measure will support the following activities: promotion and upgrade of natural and cultural monuments including religious monuments, traditional buildings, and historical sites; promotion and marketing of the region towards special interest groups; development of

information and communication technologies for the promotion and protection of natural and cultural monuments; development of common tools to protect and restore cultural landscapes; promotion of local architecture; innovative approaches in land use and settlement development around leisure and recreation settlements and cultural sensitive areas; development of actions recording and promoting shared traditional features like music, folklore including joint cultural events.

2.3.3. *Priority axis 3: Technical assistance*

TA funds (10% of the EU contribution) will be used to support the activities of the Operating Structures and the Joint Monitoring Committee. TA funds can be used to cover the costs of management and implementation of the programme.

These may include, inter alia, the following costs:

- Establishment and functioning of the Joint Technical Secretariat and its antennae, including cost of staff with the exclusion of salaries of public officials;
- Expenses for participation in different meetings related to the implementation of the programme;
- Administrative and operational costs, including the costs of preparation, monitoring and evaluation of programmes, appraisal and selection of operations, the organisation of meetings related to the programme, translation, information and publicity costs.

According to article 90(2) of Regulation (EC) No 718/2007 (IPA Implementing Regulation) the TA priority, as with any priority of the CBC programmes, requires 15% co-financing from national funds.

2.3.4. *Indicative timetable and amounts for the implementation of the measures*

Measures under Priority Axis 1 and 2 will be implemented through grant schemes. It is expected that a single call for proposals will be launched in 2011, covering 2010 and 2011 allocations, for an indicative amount of EUR 1 774 697 for Priority 1 and EUR 1 774 697 for Priority 2.

The essential selection and award criteria for the award of grants as laid down in the practical guide (PRAG) to contract procedures for EU external aid should apply. The detailed selection and award criteria for the award of grants will be laid down in Call for proposals–Application Pack (Guidelines for applicants).

For grants awarded through Calls for proposals, the use of lump sums and/or flat rate financing is possible (in accordance with Art. 181 of the Implementing Rules to the Financial Regulation), up to an amount of EUR 25,000 per grant. Where relevant, the detailed conditions for the use of lump sums or flat rate financing shall be included in the Call for proposal/Guidelines for applicants.

The Priority Axis 3 "Technical Assistance" will be implemented through an individual direct grant agreement without call for proposals to be established between the European Commission and the national authorities of Albania, in accordance with article 168 1. (c) of

the Implementing Rules to the Financial Regulation, considering that the relevant national authorities, i.e. the cross-border cooperation (CBC) coordinator in the meaning of Art. 22 (2) (b) of the IPA Implementing Regulation or the Operating Structure, enjoy a de facto monopoly situation for the implementation of the cross-border programme. In order to implement the activities covered by the direct grant agreement, the grantee is allowed to procure services of supplies, as relevant, under the terms and conditions established in the grant agreement, and in accordance with Article 120 of the Financial Regulation and Article 184 of the Implementing Rules to the Financial Regulation.

The direct grant agreements can be signed as soon as the Financing Agreements have been concluded. The IPA allocation for Priority Axis "Technical Assistance" will be completed by a total amount of EUR 29 285 for 2010 and EUR 29 871 for 2011 of national co-financing provided by the authorities of Albania.

2.4. Overview of past and on-going CBC experience, including lessons learned and donor co-ordination

2.4.1. Past and on-going CBC experience

Cross-Border Cooperation in the border area Albania-Greece was initiated with the INTERREG II (1994-1999) and PHARE CBC programmes. These programmes offered the first major opportunity for an institutionalised cooperation between the two countries. The cross-border cooperation process was continued and strengthened with the CIP INTEREG IIIA Greece-Albania 2000-2006 programme. This programme was jointly developed by Greece and Albania and revised in order to reflect the rapidly changing situation in the eligible border area and the change of status to a common Neighbourhood Programme Greece-Albania 2004-2006. Structural Funds assistance (ERDF) amounted to EUR 90 million and assistance to Albania was delivered under the CARDS instrument. The Neighbourhood Programme Greece-Albania 2004-2006 was approved in early 2005 and the first call for proposals was launched in June 2006.

The dual structure of ERDF and CARDS made the coordination among projects and partners difficult and the possibility to develop and implement joint projects was limited. The Neighbourhood programme has enabled the two countries to come closer to each other. Cooperation through bilateral meetings of the Monitoring and Steering Committees improved and the exchange of information and decision making evolved considerably. A joint secretariat has been established in Thessaloniki and is staffed with 4 persons, 2 from Albania and 2 from Greece. The need for the establishment of new structures, the Joint Monitoring Committee and the Joint Selection Committee has delayed the implementation of the programme. However, the setting up of the joint structures helped the countries to prepare the implementation of the 2007-2013 programming period.

The implementation of the new IPA Cross-Border Co-operation Programme Greece-Albania 2007-13 started after signature of the Financing Agreements for the years 2007 and for the year 2008 in November 2009 and for the year 2009 in March 2010. One Call for Proposals for all three years 2007, 08 and 09 is in preparation (EUR 3.6 million) and scheduled to be launched in August 2010. First contracts shall be signed in June 2011.

In line with Article 20 of the IPA Regulation and Article 6(3) of the IPA Implementing Regulation, the European Commission has asked the representatives of Member States and international financial institutions (IFIs) present in Albania to provide their comments

regarding the draft cross-border programme submitted to the Commission. The comments received at that time were taken into account in finalising the IPA cross-border programme.

2.4.2. *Lessons learned*

Most of the cross-border initiatives started only recently, making it premature to define “lessons learned”. The call for proposal for IPA CBC 2007, 2008 and 2009 between Greece and Albania is in preparation and not yet launched. However, the following points can be highlighted from the neighbourhood and cross-border experience in the Western Balkans countries:

- The projects focusing on environment protection reflect the priorities defined by the national and regional institutions, providing for a sound embedding in local and national development priorities. However, it is important to strongly associate civil society and the private sector in programme development.
- The small calls for proposals for cross-border actions launched in previous cross-border programmes showed a low capacity in project preparation of most of the final beneficiaries. This could impede the implementation of the programme. Specific training of potential applicants will be essential throughout the programme.
- A few municipalities have had a leading role in the past and current cross-border initiatives. These municipalities should have a key role when implementing the programme (transfer of know-how, etc.)

In addition, an independent evaluation on the CBC programmes under PHARE was conducted by the MWH consortium. Experience has shown that the preconditions for effective implementation include, besides close co-ordination between participating countries at political and operational levels:

- cross-border cooperation between line ministries and effective working relationships between related organisations;
- functioning regional development authorities and local authorities, with appropriate staff in a stable environment;
- close working relationships between regional institutions and the respective Commission Delegations;
- functioning cross-border cooperation between respective organisations of the private sector, such as chambers of commerce, company associations and NGOs.

2.4.3. *Donor coordination*

The Government of **Albania** is involved in the process of donor coordination through the Integrated Planning System (IPS), a mechanism aiming to reform the way public funds (domestic and foreign) are managed. The IPS was approved by the government in November 2005 and should deploy a coherent strategic framework, ensuring that the Albanian core policy and financial processes function in a coherent, efficient and integrated manner. Under CARDS 2004, an EU contribution is provided to the World Bank trust fund for the implementation of the IPS.

The Government also expects to improve the consultation process with the donor community and to align international assistance with national priorities through the Department of Strategy and Donor Coordination, under the Council of Ministers. The Minister of European Integration has been appointed National IPA Co-ordinator.

The Donor Technical Secretariat has facilitated coordination hosting project data of all donors since 2003. The donor co-ordination role is in process of being gradually transferred to the authorities. Close working relations are maintained with the IFIs (EIB, EBRD, World Bank) and KfW.

2.5. Horizontal issues

The joint project proposals will have to cover both parts of the border and fulfil the following criteria:

- benefit partners from both sides of the borders;
- support links between relevant institutions and organisations from both sides of the border;
- encourage equal participation of women and marginalised groups;
- meet particular needs of ethnic minorities;
- be environmentally sustainable;

Project partners should establish agreed co-ordination mechanisms to synchronise the joint projects throughout their implementation.

2.6. Conditions

2.7. The successful implementation of the programme depends on adequate staffing and functioning of the Operating Structures, Joint Monitoring Committee, and Joint Technical Secretariat and its antenna and their stability. Adequate information, publicity and visibility, ahead of the publication of the calls for proposals, shall ensure numerous and good quality project proposals. Timely and swift processing of the calls for proposals by the national authorities and its close monitoring by EU Delegation in Tirana is key to ensure smooth and full contracting of allocated funds. Special attention should be paid so that the selected projects are ensuring a sustainability mechanism for their activities.

2.8. Benchmarks

2010	N*	N+1 (cumulative)	N+2 (cumulative)
Number of calls for proposals launched	0	1	1
Number of direct grants (Technical Assistance Priority)	0	1	1

Contracting Rate (%)	0	10	100
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* "N" being the date of conclusion of the Financing Agreement

2011	N*	N+1 (cumulative)	N+2 (cumulative)
Number of calls for proposals launched	1	1	1
Number of direct grants (Technical Assistance Priority)	1	1	1
Contracting Rate (%)	10	10	100

* "N" being the date of conclusion of the Financing Agreement

2.9. Roadmap for the decentralisation of the management of EU funds without ex ante controls by the Commission

According to Article 8(4)c) of the IPA Implementing Regulation, the beneficiaries shall establish a roadmap with indicative benchmarks and time limits to achieve decentralisation without ex ante controls by the Commission.

Concerning the indicative roadmap for decentralisation with ex-ante control (DIS), the situation is the following in Albania. The decentralised management process of IPA funds has become one of the main priorities of the Albanian government for the years to come. While progress seems solid on IPA components I and V, the process is at a starting stage for IPA components II, III, IV.

On component I (Transition assistance and Institution Building), Albania followed since January 2008 its Roadmap for decentralised management revised during summer 2009. After having set-up the main structure in 2009 (stage 0), it finalised its gap assessment report (stage 1) in May 2010. Immediately after this step, the Albanian started the gap plugging phase (stage 2). Currently, Albania's estimated timeframe for the accreditation for Component I is scheduled at the earliest for end 2011, or even early 2012. The key challenge will be to address the gap assessment recommendations in a solid manner, before entering the next step.

On component II (Cross Border Cooperation), the process of decentralised management started in January 2010 and key nominations as well as a draft roadmap remain to be finalised.

On components III (Regional development) and IV (Human resources development), Albania started to prepare necessary decentralised management structures and operational programmes since January 2010. The nominated Strategic Coordinator is the Deputy Minister of European Integration, while the Operating Structure for component III is the Ministry of Transport, Public works and telecommunications, and for component IV, it is the Ministry of Labour, Social affairs and Equal opportunities. The European Commission's relevant General-Directorates started the preparations of the Albanian authorities for components III, IV and V during a joint-mission in Tirana at the beginning of the year 2010. The key challenges for these components are the strengthening of the structure and the coordination mechanism as

well as the drafting of the strategic Coherence framework and the Operational programmes for components III and IV.

On Component V (Rural development), Albania is trying to use already existing structures in order to set up the IPARD Managing Agency and the IPARD Paying Agency. The draft IPARD programme is being prepared by the Albanian on the basis of sectoral analyses of priority sectors in agriculture, aiming at identifying the current situation in the milk and dairy products sector, the meat sectors, the fruit and vegetables sector. The key challenges remain finalising the set-up of the structure, drafting the IPARD programme and reviewing the sectoral agreement.

The decentralised management process is supported by different projects under the IPA national programmes for Albania:

- An IPA 2007 programme supports since January 2009 until November 2010 the Albanian administration in its efforts to prepare for decentralised management for IPA component I.
- Component V, rural development strategy structures and strategy is supported under IPA 2008 technical assistance currently ongoing and implemented with the German Development Agency (GTZ).
- An IPA 2009 technical assistance will support the remaining tasks for the decentralised management process for all IPA components I, II, III, IV and V. It is scheduled to start early 2011.

3. BUDGET FOR 2010 AND 2011

3.1. Indicative 2010 financial table for Albania

	EU – IPA assistance		National Contribution		Total (IPA plus National Contribution)	
	EUR (a)	% ⁽¹⁾	EUR (b)	(%) ⁽¹⁾	EUR (c)=(a)+(b)	(%) ⁽²⁾
Priority axis 1	746 778	85	131 784	15	878 563	45
Priority axis 2	746 778	85	131 784	15	878 563	45
Priority axis 3	165 951	85	29 285	15	195 236	10
TOTAL	1 659 507	85	292 854	15	1 952 361	100

⁽¹⁾ Expressed in % of the Total (IPA plus National contributions) (column (c))

⁽²⁾ Expressed in % of the grand total of column (c). It indicates the relative weight of the each priority with reference to the total funds (IPA + National)

3.2. Indicative 2011 financial table for Albania

	EU – IPA assistance		National Contribution		Total (IPA plus National Contribution)	
	EUR (a)	% ⁽¹⁾	EUR (b)	(%) ⁽¹⁾	EUR (c)=(a)+(b)	(%) ⁽²⁾
Priority axis 1	761 714	85	134 420	15	896 134	45

Priority axis 2	761 714	85	134 420	15	896 134	45
Priority axis 3	169 270	85	29 871	15	199 141	10
TOTAL	1 692 697	85	298 711	15	1 991 408	100

(1) Expressed in % of the Total (IPA plus National contributions) (column (c))

(2) Expressed in % of the grand total of column (c). It indicates the relative weight of the each priority with reference to the total funds (IPA + National)

3.3. Principle of co-financing applying to the projects funded under the programme

The EU contribution has been calculated in relation to the eligible expenditure, which for the cross-border programme "Greece – Albania", Albania part is based on the total expenditure, as agreed by the participating countries and laid down in the cross-border programme.

The EU contribution at the level of priority axis shall not exceed the ceiling of 85% of the eligible expenditure for Albania. The EU contribution for each priority axis shall not be less than 20% of the eligible expenditures.

The provisions of Article 90 of the IPA Implementing Regulation apply.

The co-financing under priority axis 1 and 2 will be provided by the final grant beneficiaries and can come from public and private funds. Final grant beneficiaries should contribute with a minimum of 15% of the total eligible cost of the project, both for investment and institution building projects. The co-financing under priority axis 3 will be provided by national public funds.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of Implementation

The "Greece – Albania IPA cross-border programme" shall be implemented according to the provisions referred to in Article 99 (Transitional arrangements) of the IPA Implementing Regulation.

The part of this programme concerning Albania shall be implemented on a centralised basis by the European Commission in accordance with Article 53a of the Financial Regulation¹¹ and the corresponding provisions of the Implementing Rules¹². In the event of centralised management the role of the Commission in the selection of operations under a cross-border programme is specified in Article 140 of the IPA Implementing Regulation.

¹¹ OJ L 248, 16.9.2002, p.1, Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1)) and by Council regulation (EC, Euratom) n°1525/2007 of 17 December 2007 (OJ L 343, 27.12.2007, p.9).

¹² OJ L 357, 31.12.2002, p. 1, Regulation as last amended by Regulation (EC, Euratom) No 478/2007 (OJ L 111, 28.4.2007, p. 1).

4.2. General rules for Procurement and grant award procedures

Procurement shall follow the provisions of Part Two, Title IV of the Financial Regulation and Part Two, Title III, Chapter 3 of its Implementing Rules¹³ as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C(2007)2034).

Grant award procedures shall follow the provisions of Part One, Title VI of the Financial Regulation and Part One, Title VI of its Implementing Rules.

Where appropriate, the Contracting Authorities should also use the standard templates and models facilitating the application of the above rules provided for in the “Practical Guide to contract procedures for EU external actions” (“Practical Guide”) as published on the EuropeAid website¹⁴ at the date of the initiation of the procurement or grant award procedure.

4.3. Environmental Impact Assessment and Nature Conservation

All investments shall be carried out in compliance with the relevant European Union environmental legislation.

The procedures for environmental impact assessment as set down in the EIA Directive¹⁵ fully apply to all investment projects under IPA. If the EIA Directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive.

If a project is likely to affect sites of nature conservation importance, an appropriate nature conservation assessment shall be made, equivalent to that provided for in Article 6 of the Habitats Directive must be documented¹⁶.

5. MONITORING AND EVALUATION

5.1. Monitoring

The implementation of the cross-border programme will be monitored by the joint monitoring committee referred to in Article 142 of the IPA Implementing Regulation, established by the participating countries, which include representatives of the Commission.

In Albania, the Commission may undertake any actions it deems necessary to monitor the programme concerned.

¹³ See footnote 2 and 3 *supra*.

¹⁴ current address: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

¹⁵ Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985, p. 40. Directive as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003, p. 17.

¹⁶ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L206, 22.7.1992). Directive as last amended by Regulation (EC) No 1882/2003 (OJ L284, 31.10.2003, p. 1).

5.2. Evaluation

Programmes shall be subject to evaluations in accordance with Article 141 of the IPA Implementing Regulation, with an aim to improve the quality, effectiveness and consistency of the assistance from EU funds and the strategy and implementation of the cross-border programmes.

6. AUDIT, FINANCIAL CONTROL AND ANTIFRAUD MEASURES;

The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as *ex ante* verification of tendering and contracting carried out by the Delegations in the beneficiary countries.

In order to ensure the efficient protection of the financial interests of the Community, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96¹⁷.

The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received EU funds.

7. NON SUBSTANTIAL REALLOCATION OF FUNDS

The authorising officer by delegation (AOD), or the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management, may undertake non substantial reallocations of funds without an amending financing decision being necessary. In this context, cumulative reallocations not exceeding 20% of the total amount allocated for the programme, subject to a limit of EUR 4 million, shall not be considered substantial, provided that they do not affect the nature and objectives of the programme. The IPA Committee shall be informed of the above reallocation of funds.

8. LIMITED ADJUSTMENTS IN THE IMPLEMENTATION OF THE PROGRAMME

Limited changes in the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature¹⁸, may be undertaken by the Commission's authorising officer by delegation (AOD), or by the Commission's authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without an amending financing decision being necessary.

¹⁷ Council Regulation (EC, Euratom) 2185/96 of 11 November 1996, OJ L 292; 15.11.1996; p. 2.

¹⁸ These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching the procurement procedures.