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C(2012) 8139 final

## **COMMISSION IMPLEMENTING DECISION**

**of 8.11.2012**

**amending Commission Decision C(2008)1069 of 12 March 2008 on adopting the "Greece-Albania IPA cross-border programme" under the IPA Cross-border Co-operation component by adopting the revised "Greece-Albania IPA cross-border programme " under the IPA Cross-border Co-operation component and fixing the European Union contribution for the years 2012–2013**

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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)<sup>1</sup>, 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 with Albania<sup>2</sup>. On 26 April 2011, the Commission has adopted a Multi-annual Indicative Planning Document (MIPD) for the years 2011-2013<sup>3</sup>, which provides the strategic framework of priorities for the IPA Cross-border Cooperation component.
- (4) On 23 November 2011, the responsible authorities from Albania and Greece submitted to the Commission a revised proposal for a multi-annual cross-border programme between Albania and Greece. This draft revised programme contains all the elements referred to in Article 94 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)<sup>4</sup> (hereinafter referred to as the "IPA Implementing Regulation") and is consistent with the goals and priorities of the Multi-annual Indicative Planning Document 2011-2013 for the IPA Cross-border Cooperation component. The draft revised programme contains, in particular, a description of

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<sup>1</sup> OJ L 210, 31.07.2006, p. 82.

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

<sup>3</sup> C(2011)2727 of 26.4.2011.

<sup>4</sup> OJ L 170, 29.6.2007, p.1.

priorities and the measures chosen for assistance and an indicative financing plan comprising tables for both Albania and Greece and specifying, for each year and for each priority axis, the indicative amount of the European Union contribution and its rate, as well as the amount financed by the national counterparts. The draft revised programme should therefore be adopted by the Commission in accordance with Article 93(2) of the IPA Implementing Regulation.

- (5) The multi-annual "Greece – Albania IPA cross-border programme" aims at providing assistance to increase the standard of living of the population by promoting sustainable local 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 should be implemented according to the transitional arrangements laid down in Article 99 of the IPA Implementing Regulation; this Decision would 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 Decision.
- (7) 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 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup> 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 Communities<sup>6</sup>.
- (8) The measures provided for by this Decision are in accordance with the opinion of the IPA Committee,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

The revised "Greece-Albania IPA cross-border programme" under the IPA Cross-border Co-operation component, as set out in Annex 2 to this Decision, is hereby adopted and Annex 2 to Decision C(2008)1069 of 12 March 2008, as amended by Decision C (2010) 8799 of 6 December 2010, is replaced by Annex 2 to this Decision.

The Financing proposal under the IPA Cross-border Co-operation component for the years 2012–2013 for the participation of Albania in the "Greece-Albania IPA cross-border programme", 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.

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<sup>5</sup> OJ L 357, 31.12.2002, p. 1.

<sup>6</sup> OJ L 248, 16.9.2002, p.1.

The part of this programme concerning Albania corresponding to budget years 2012 and 2013 shall be implemented by means of Financing Agreements to be concluded between the Commission and the Government of Albania, in conformity with the Framework Agreement concluded between the same parties on 18 October 2007

#### *Article 2*

In the budget year 2012, the maximum amount of European Union contribution granted from IPA to Albania for the participation in the "Greece – Albania IPA cross–border programme" shall be EUR 1,726,551 to be financed through Item 22.020402 of the general budget of the European Union.

In the budget year 2013, the maximum amount of European Union contribution granted from IPA to Albania for the participation in the "Greece – Albania IPA cross–border programme" shall be EUR 1,761,082 to be financed through Item 22.020402 of the general budget of the European Union. The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budget for 2013 after the adoption of the budget for 2013 by the budgetary authority or provided for in the provisional twelfths.

Done at Brussels, 8.11.2012

*For the Commission*  
*Štefan FÜLE*  
*Member of the Commission*

## ANNEX 1

### FINANCING PROPOSAL FOR THE YEARS 2012 AND 2013 FOR THE PARTICIPATION OF ALBANIA IN THE "Greece-Albania IPA cross-border programme"

#### 1. IDENTIFICATION

Beneficiary:	Albania
CRIS numbers:	2012/ 23-040; 2013/24-195
Years:	2012 and 2013
Cost:	2012: EUR 1 726 551 (total value of IPA contribution) 2013: EUR 1 761 082 (total value of IPA contribution)
Operating structure:	Ministry of European Integration
Implementing Authority:	European Commission
Final date for concluding the Financing Agreement:	For the 2012 funds: at the latest by 31 December 2013 For the 2013 funds: at the latest by 31 December 2014
Final date for contracting:	3 years following the date of conclusion of each 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 MIPD Multi-annual Indicative Planning Document (MIPD) 2011 -2013 for Component II – Cross border Co-Operation sets out the strategic framework for the programmes financed under this Component, namely: cross–border cooperation programmes between candidate countries / potential candidates (at intra–Western Balkans borders) and cross–border cooperation between them and neighbouring EU Member States.

IPA cross–border cooperation combines cohesion and external relation objectives taking into account the specific individual needs of the border regions. Cross–border multi–annual programmes are jointly prepared by the partner countries. The CBC programme between Albania and Greece for the years 2012-13 will address the priorities identified in the MIPD 2011 -2013:

- supporting cross-border economic, social and territorial cooperation in border areas and therefore encouraging socio-economic development of bordering regions;
- addressing common challenges in fields such as environment, natural and cultural heritage, public health, prevention of and fight against organised crime;
- ensuring efficient and secure borders;
- promoting joint small scale local actions ("people-to-people");
- supporting networks, accessibility and emergency preparedness.

#### *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.

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, social partners and other stakeholders. The first meeting of the Task Force was held in Thessaloniki on 22 September 2007 followed by 4 other meetings in Greece and Albania. Three external expert teams supported the Task Force on specific chapters of the operational programme, the ex-ante evaluation and the strategic environmental assessment.

The programme, designed by the Task Force, is based on a detailed assessment of the eligible border areas and the resulting SWOT analysis, which underlined the importance of the assets of the areas, i.e. quality of natural and cultural resources, presence of a significant young population, important educational centres and intensive cross-border economic activity.

The European Commission has asked the representatives of Member States and international financial institutions (IFIs) present in Albania to provide their comments regarding the cross–border programme. The comments received at that time were taken

into account in finalising the IPA cross-border programme, which was approved by the Commission in 2008.

The first revision of the cross-border programme was justified by the need to update the financing plan, according to the multi-annual indicative financial framework (MIFF) for 2010 to 2012.

In October 2011, the Joint Monitoring Committee adopted a second revised version of the cross-border multi-annual programme, which added the 2012-2013 appropriations to the financial table in line with the updated financial plan of the MIPD 2011-13 for Component II – Cross border Co-Operation.

### *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 km<sup>2</sup> 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 amount of the European Union contribution to the cross-border programme.

## **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 2012-2013 budget**

The structure of the programme consists of two Priorities Axes with six Measures. Priorities Axes 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), sustainable tourism (M 1.2), people to people actions (M 1.3) and 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 students' 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; information and communication technology interventions to facilitate and accelerate border checks; development of coordinated customs procedures; improvement of 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; enhanced cooperation in the fields of protected areas; enhanced 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 the programme management and implementation. 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 the IPA Implementing Regulation<sup>1</sup>, the European Union contribution for cross-border programmes at the level of priority axis shall not exceed the ceiling of 85 % of the eligible expenditure.

#### 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 strategic projects or a single call for ordinary projects will be launched in 2013, covering the allocations for 2012 and 2013.

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 selection criteria will help evaluate i) the applicants' financial capacity to sustain its activity for the duration of the proposed action, with the exception of natural persons receiving scholarships, public bodies and international organisations, and ii) the applicants' operational capacity consisting in professional competencies and qualifications required to complete the proposed action.

The award criteria will help evaluate i) the quality of the action proposed in the application as regards its relevance to the set of objectives and priorities set out in the call for proposals, ii) the effectiveness and feasibility of the proposed action, iii) its sustainability and iv) its budget cost-effectiveness.

The detailed selection and award criteria for the award of grants will be laid down in the Call for proposals–Application Pack (Guidelines for applicants).

The Priority Axis "Technical Assistance" will be implemented through individual direct grant agreements without call for proposals to be established between the European Commission and the respective national authorities, in accordance with Article 168 (1)(c) of the Implementing Rules to the Financial Regulation<sup>2</sup>, considering that the relevant national authorities, i.e. the CBC coordinator in the meaning of Article 22 (2) (b) of the IPA Implementing Regulation and the Operating structures, enjoy a *de facto* monopoly situation for the implementation of the cross-border programme. The procurement of services, supplies or works by the direct grant beneficiaries is possible, under the terms and conditions established in the grant agreement. The direct grant agreements, for a total amount of EUR 172 655.00 for 2012 and for a total amount of EUR 176 108.00 for 2013, can be signed as soon as the respective Financing Agreements are concluded. The IPA allocation for Priority Axis "Technical Assistance" will be completed by a total amount of national co-financing of EUR 30 469.00 for 2012 and 31 078.00 for 2013 provided by the authorities of Albania.

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<sup>1</sup> 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) (OJ L 170, 29.6.2007, p. 1).

<sup>2</sup> Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002, p.1).

## **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. However, the Neighbourhood programme has enabled the two countries to come closer to each other.

Cross-border cooperation in the border area Albania-Greece continued in the frame of the Instrument for Pre-Accession Assistance, notably IPA component II, starting from 2007. 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 (approx. EUR 3.6 million) was closed in 2011. Twenty-five proposals were selected for financing. A second call for ordinary projects, covered by 2010 and 2011 funds, is expected to be launched in 2012.

### *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 reforming the way public funds (domestic and foreign) are managed. The IPS was approved by the government in November 2005 in order to 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 has been 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 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.

The EU Delegation to Albania maintains close working relations with the IFIs: EIB, EBRD, World Bank and KfW. The Minister of European Integration has been appointed National IPA Co-ordinator.

### **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 and disaster resilient.

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

## 2.6 Conditions

The successful implementation of the programme depends on adequate staffing and functioning of the Operating Structures, Joint Monitoring Committee, Joint Technical Secretariat and its antenna. Adequate information, publicity and visibility, ahead of the publication of the call for strategic projects or call for ordinary projects, 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.

## 2.7 Benchmarks

<b>2012</b>	<b>N*</b>	<b>N+1 (cumulative)</b>	<b>N+2 (cumulative)</b>	<b>N+3 (cumulative)</b>
Number of calls for strategic projects or calls for ordinary projects launched	0	1	1	1
Number of direct grants (Technical Assistance Priority)	1	1	1	1
Contracting Rate (%)	10	10	10	100

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

<b>2013</b>	<b>N*</b>	<b>N+1 (cumulative)</b>	<b>N+2 (cumulative)</b>	<b>N+3 (cumulative)</b>
Number of calls for strategic projects or calls for ordinary projects launched	0	1	1	1
Number of direct grants (Technical Assistance Priority)	1	1	1	1
Contracting Rate (%)	10	10	10	100

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

## 2.8 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.

The decentralised management process of IPA funds is a challenging administrative capacity building exercise for the Albanian Government on the road towards EU integration and has become one of its main priorities over the last years.

As regards component I (Transition assistance and Institution Building), the roadmap for the decentralised management was developed in 2008 and reviewed in 2009. The decentralized structures were in place by 2009 (stage 0): National IPA Coordinator (NIPAC), Competent Accrediting Officer (CAO), National Authorising Officer (NAO), National Fund (NF), Programming Authorising Officer (PAO), Central Finance and Contracting Unit (CFCU), Senior Programme Officers (SPOs) and Auditing Authority (AA). Albania finalised its gap assessment report (stage 1) in May 2010, started the gap plugging phase (stage 2) in August 2010 and undertook the compliance assessment (stage 3) during 2011. In February 2012 the Albanian Ministry of Finance has officially sent the accreditation package for component I, which will be assessed by the European Commission in view of preparing the decision on the conferral of management powers.

On component II (Cross Border Cooperation), the process of decentralised management started in January 2010 and is at stage 1 (gap assessment).

On components III (Regional development) and IV (Human resources development), Albania started to prepare necessary decentralised management structures and to design 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 and Public Works and for component IV is the Ministry of Labour, Social Affairs and Equal Opportunities. The key challenges for these components are the strengthening of the decentralized structures and the coordination mechanisms. During 2011 the draft Strategic Coherence Framework has been provisionally finalized and the Operational Programmes have been further elaborated.

On Component V (Rural development), Albania is trying to use already existing structures in order to set up the Managing Agency and the Paying Agency. The draft IPARD programme has been prepared by the Albanian side on the basis of sector analyses. An IPA 2011 project has been foreseen to launch a pilot project to introduce "IPARD like" measures, in order to establish a grant scheme for farmers and make use of the already existing structures in accordance with IPARD rules. For Component V, the establishment of a farm and rural cadastre remained a crucial and challenging element for defining the scope of future rural beneficiaries.

An IPA 2009 technical assistance currently supports the Albanian government's efforts to address the remaining tasks for the decentralised management process for all IPA components I, II, III, IV and V and further technical assistance is foreseen under the IPA 2012 National Programme.

### 3. BUDGET FOR 2012 AND 2013

#### 3.1 Indicative 2012 financial table for Albania

EU – IPA assistance		National Contribution		Total (IPA plus National Contribution)	
EUR (a)	% <sup>(1)</sup>	EUR (b)	% <sup>(1)</sup>	EUR (c)=(a)+(b)	% <sup>(2)</sup>

<b>Priority axis 1</b>	776 948	85	137 108	15	914 056	45
<b>Priority axis 2</b>	776 948	85	137 108	15	914 056	45
<b>Priority axis 3</b>	172 655	85	30 469	15	203 124	10
<b>TOTAL</b>	<b>1 726 551</b>	<b>85</b>	<b>304 685</b>	<b>15</b>	<b>2 031 236</b>	<b>100</b>

<sup>(1)</sup> Expressed in % of the Total (IPA plus National contributions) (column (c))

<sup>(2)</sup> 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 2013 financial table for Albania

	EU – IPA assistance		National Contribution		Total (IPA plus National Contribution)	
	EUR (a)	% <sup>(1)</sup>	EUR (b)	% <sup>(1)</sup>	EUR (c)=(a)+(b)	% <sup>(2)</sup>
<b>Priority axis 1</b>	792 487	85	139 851	15	932 338	45
<b>Priority axis 2</b>	792 487	85	139 851	15	932 338	45
<b>Priority axis 3</b>	176 108	85	31 078	15	207 186	10
<b>TOTAL</b>	<b>1 761 082</b>	<b>85</b>	<b>310 780</b>	<b>15</b>	<b>2 071 862</b>	<b>100</b>

<sup>(1)</sup> Expressed in % of the Total (IPA plus National contributions) (column (c))

<sup>(2)</sup> 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. For the "Cross-border programme Greece – Albania", Albania's 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<sup>3</sup>.

## 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.

<sup>3</sup> OJ L 170, 29.06.2007.

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 Regulation<sup>4</sup> and the corresponding provisions of the Implementing Rules. 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.

#### **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 Rules, 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 website<sup>5</sup> at the date of the initiation of the procurement or grant award procedure.

#### **4.3 Environmental Impact Assessment and Nature Conservation and Disaster Resilience**

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 Directive<sup>6</sup> 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 documented<sup>7</sup>.

Disaster resilience and risk prevention and management should also be integrated in the planning, preparation and implementation of projects.

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<sup>4</sup> Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

<sup>5</sup> current address: [http://ec.europa.eu/europeaid/work/procedures/implementation/practical\\_guide/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm)

<sup>6</sup> 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).

<sup>7</sup> 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).



## **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.

### **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 European 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 European Union, 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) No 2185/96<sup>8</sup>.

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.

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<sup>8</sup> Council Regulation (EC, Euratom) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996,; p. 2).

## **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 nature<sup>9</sup>, may be undertaken by the European 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.

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<sup>9</sup> 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.

**Annex 2**

**CBC programme Greece-Albania**